

recognized no matter what circumstance has followed, in working together, we have managed to do, I think, a good job in the housing area. And the gentlewoman from California has been an excellent ranking member. This is another good piece of it, and I am very glad that we were able to do this today.

Ms. WATERS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. OXLEY. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, just in closing, let me salute our good friend from California, who has had a passionate interest in housing ever since she got here and has worked extremely well as the ranking member of the subcommittee with the chairman and with both the full committee chairmen, myself and the gentleman from Ohio. We have surprised a lot of people with what we have been able to produce.

They say politics is the art of the possible, and I think we have proven it time and time again. This is common-sense legislation that is good for all concerned, and I just want to salute her dedication to that effort.

Ms. PRYCE of Ohio. Mr. Speaker, I would first like to thank Chairman OXLEY, for this effort and for his great leadership of our Committee for the last 6 years. Six very challenging years in which fiscal policy really mattered. A time when security, reliability, transparency, made a difference. Ms. WATERS, and Ranking Member FRANK and their staffs for their hard work on this legislation. Clinton Jones, Cindy Chetti, and Tallman Johnson on the Majority staff have been invaluable.

We are here today to extend a program that works: A program that saves taxpayers money, reduces rents on tenants, and ensures the long-term viability of affordable housing properties.

The numbers speak louder than words—In just 7 years, Mark-to-Market has resulted in nearly \$2 billion in net savings to taxpayers, reduced rent costs at over 2,700 properties by an estimated \$216 million per year, and completed debt-restructuring on over 1,400 properties.

Central Ohio has been the beneficiary of many of these projects, including the Ohio Capital Corporation for Housing's purchase of 12 HUD-insured properties in urban Columbus, and the continued development of a home for disabled individuals near the Ohio State University, the Center for Creative Living.

This bill also includes an amendment I drafted in Committee, which provides relief for properties in rural and dense urban areas and non-profit purchasers, and erases any question of the eligibility of properties damaged by Hurricanes Katrina, Rita, Wilma or other natural disasters.

Our action today shows our commitment to acting before this program sunsets.

Mr. OXLEY. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the bill, H.R. 6115.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. OXLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

## FINANCIAL SERVICES REGULATORY RELIEF ACT OF 2006

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 2856) to provide regulatory relief and improve productivity for insured depository institutions, and for other purposes, as amended.

The Clerk read as follows:

S. 2856

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Financial Services Regulatory Relief Act of 2006".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

#### TITLE I—BROKER RELIEF

Sec. 101. [Rulemaking] *Joint rulemaking* required for revised definition of broker in the Securities Exchange Act of 1934.

#### TITLE II—MONETARY POLICY PROVISIONS

Sec. 201. Authorization for the Federal reserve to pay interest on reserves.

Sec. 202. Increased flexibility for the Federal Reserve Board to establish reserve requirements.

Sec. 203. *Effective date.*

#### TITLE III—NATIONAL BANK PROVISIONS

Sec. 301. Voting in shareholder elections.

Sec. 302. Simplifying dividend calculations for national banks.

Sec. 303. Repeal of obsolete limitation on removal authority of the Comptroller of the Currency.

Sec. 304. Repeal of obsolete provision in the Revised Statutes.

Sec. 305. *Enhancing the authority for banks to make community development investments.*

#### TITLE IV—SAVINGS ASSOCIATION PROVISIONS

Sec. 401. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.

Sec. 402. Repeal of overlapping rules governing purchased mortgage servicing rights.

Sec. 403. Clarifying citizenship of Federal savings associations for Federal court jurisdiction.

Sec. 404. Repeal of limitation on loans to one borrower.

#### TITLE V—CREDIT UNION PROVISIONS

Sec. 501. Leases of land on Federal facilities for credit unions.

Sec. 502. Increase in general 12-year limitation of term of Federal credit union loans to 15 years.

Sec. 503. Check cashing and money transfer services offered within the field of membership.

Sec. 504. Clarification of definition of net worth under certain circumstances for purposes of prompt corrective action.

Sec. 505. *Amendments relating to nonfederally insured credit unions.*

#### TITLE VI—DEPOSITORY INSTITUTION PROVISIONS

Sec. 601. Reporting requirements relating to insider lending.

Sec. 602. Investments by insured savings associations in bank service companies authorized.

Sec. 603. Authorization for member bank to use pass-through reserve accounts.

Sec. 604. Streamlining reports of condition.

Sec. 605. Expansion of eligibility for 18-month examination schedule for community banks.

Sec. 606. Streamlining depository institution merger application requirements.

Sec. 607. Nonwaiver of privileges.

Sec. 608. Clarification of application requirements for optional conversion for Federal savings associations.

Sec. 609. Exemption from disclosure of privacy policy for accounting firms.

Sec. 610. Inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act.

Sec. 611. Modification to cross marketing restrictions.

#### TITLE VII—BANKING AGENCY PROVISIONS

Sec. 701. Statute of limitations for judicial review of appointment of a receiver for depository institutions.

Sec. 702. Enhancing the safety and soundness of insured depository institutions.

Sec. 703. Cross guarantee authority.

Sec. 704. Golden parachute authority and nonbank holding companies.

Sec. 705. Amendments relating to change in bank control.

Sec. 706. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.

Sec. 707. Interagency data sharing.

Sec. 708. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.

Sec. 709. Protection of confidential information received by Federal banking regulators from foreign banking supervisors.

Sec. 710. Prohibition on participation by convicted individuals.

Sec. 711. Coordination of State examination authority.

Sec. 712. Deputy Director; succession authority for Director of the Office of Thrift Supervision.

Sec. 713. Office of Thrift Supervision representation on Basel Committee on Banking Supervision.

Sec. 714. Federal Financial Institutions Examination Council.

Sec. 715. Technical amendments relating to insured institutions.

Sec. 716. Clarification of enforcement authority.

- Sec. 717. Federal banking agency authority to enforce deposit insurance conditions.
- Sec. 718. Receiver or conservator consent requirement.
- Sec. 719. Acquisition of FICO scores.
- Sec. 720. Elimination of criminal indictments against receiverships.
- Sec. 721. Resolution of deposit insurance disputes.
- Sec. 722. Recordkeeping.
- Sec. 723. Preservation of records.
- Sec. 724. Technical amendments to information sharing provision in the Federal Deposit Insurance Act.
- Sec. 725. Technical and conforming amendments relating to banks operating under the Code of Law for the District of Columbia.
- Sec. 726. Technical corrections to the Federal Credit Union Act.
- Sec. 727. Repeal of obsolete provisions of the Bank Holding Company Act of 1956.
- Sec. 728. Development of model privacy forms.

#### TITLE VIII—FAIR DEBT COLLECTION PRACTICES ACT AMENDMENTS

- Sec. 801. Exception for certain bad check enforcement programs.
- Sec. 802. *Other amendments.*

#### TITLE IX—CASH MANAGEMENT MODERNIZATION

- Sec. 901. Collateral modernization.

#### TITLE X—STUDIES AND REPORTS

- Sec. 1001. Study and report by the Comptroller General on the currency transaction report filing system.
- Sec. 1002. Study and report on institution diversity and consolidation.

#### TITLE I—BROKER RELIEF

- SEC. 101. JOINT RULEMAKING REQUIRED FOR REVISED DEFINITION OF BROKER IN THE SECURITIES EXCHANGE ACT OF 1934.**

(a) FINAL RULES REQUIRED.—

(1) AMENDMENT TO SECURITIES EXCHANGE ACT.—Section 3(a)(4) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(4)) is amended by adding at the end the following:

“(F) **[RULEMAKING] JOINT RULEMAKING REQUIRED.**—The Commission and the Board of Governors of the Federal Reserve System shall **[**, by rule,**]** jointly adopt a single set of rules or regulations to implement the exceptions in subparagraph (B).”.

(2) TIMING.—Not later than 180 days after the date of the enactment of this Act, the Securities and Exchange Commission (in this section referred to as the “Commission”) **[shall issue proposed rules] and the Board of Governors of the Federal Reserve System (hereafter in this section referred to as the “Board”) shall jointly issue a proposed single set of rules or regulations to define the term “broker” in accordance with section 3(a)(4) of the Securities Exchange Act of 1934, as amended by this subsection.**

(3) RULEMAKING SUPERSEDES PREVIOUS RULEMAKING.—A final **[rule issued] single set of rules or regulations jointly adopted in accordance with this section shall supersede any other proposed or final rule issued by the Commission on or after the date of enactment of section 201 of the Gramm-Leach-Bliley Act with regard to the exceptions to the definition of a broker under section 3(a)(4)(B) of the Securities Exchange Act of 1934 [**, on or after the date of enactment of section 201 of the Gramm-Leach-Bliley Act**]**. No such other rule, whether or not issued in final form, shall have any force or effect on or after that date of enactment.

(b) CONSULTATION.—Prior to **[issuing the final rule] jointly adopting the single set of**

*final rules or regulations* required by this section, the Commission *and the Board* shall consult with and seek the concurrence of the Federal banking agencies concerning the content of such rulemaking in implementing section 3(a)(4)(B) of the Securities Exchange Act of 1934, as amended by this section and section 201 of the Gramm-Leach-Bliley Act.

**[(C) AGENCY OBJECTIONS TO COMMISSION RULE.—**

(1) FILING OF PETITION FOR REVIEW.—

(A) IN GENERAL.—Any Federal banking agency may obtain review of any final rule issued under this section in the United States Court of Appeals for the District of Columbia Circuit by filing in such court, not later than 60 days after the date of publication of the final rule, a written petition requesting that the rule be set aside.

(B) EXPEDITED PROCESS.—Any proceeding to challenge such a rule commenced under subparagraph (A) shall be expedited by the Court of Appeals.

(2) TRANSMITTAL OF PETITION AND RECORD.—

(A) SUBMISSION TO CLERK.—A copy of a petition described in paragraph (1) shall be transmitted as soon as possible by the Clerk of the Court to an officer or employee of the Commission designated for that purpose.

(B) FILING OF PETITION.—Upon receipt of a petition under subparagraph (A), the Commission shall file with the court the rule under review and any documents referred to therein, and any other relevant materials prescribed by the court.

(3) EXCLUSIVE JURISDICTION.—On the date of the filing of a petition under paragraph (1), the court has jurisdiction, which becomes exclusive on the filing of the materials set forth in paragraph (2), to affirm and enforce or to set aside the rule at issue.

(4) STANDARD OF REVIEW.—The court shall determine to affirm and enforce or set aside a rule of the Commission under this subsection, based on the determination of the court as to whether the rule is consistent with the purposes and language of section 3(a)(4)(B) of the Securities Exchange Act of 1934, as amended by section 201 of the Gramm-Leach-Bliley Act, and appropriate in light of the history, purpose, and extent of the rule under the Federal securities laws and the Federal banking laws, giving deference neither to the views of the Commission nor of the Federal banking agencies.

(5) JUDICIAL STAY.—The filing of a petition by a Federal banking agency under paragraph (1) shall operate as a judicial stay, until the date on which the determination of the court is final (including any appeal of such determination).**]**

**[(d) (c) DEFINITION.—**For purposes of this section, the term “Federal banking agencies” means **[the Board of Governors of the Federal Reserve System,] the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the Federal Deposit Insurance Corporation.**

#### TITLE II—MONETARY POLICY PROVISIONS

##### SEC. 201. AUTHORIZATION FOR THE FEDERAL RESERVE TO PAY INTEREST ON RESERVES.

(a) IN GENERAL.—Section 19(b) of the Federal Reserve Act (12 U.S.C. 461(b)) is amended by adding at the end the following:

“(12) EARNINGS ON BALANCES.—

“(A) IN GENERAL.—Balances maintained at a Federal Reserve bank by or on behalf of a depository institution may receive earnings to be paid by the Federal Reserve bank at least once each calendar quarter, at a rate or rates not to exceed the general level of short-term interest rates.

“(B) REGULATIONS RELATING TO PAYMENTS AND DISTRIBUTIONS.—The Board may prescribe regulations concerning—

“(i) the payment of earnings in accordance with this paragraph;

“(ii) the distribution of such earnings to the depository institutions which maintain balances at such banks, or on whose behalf such balances are maintained; and

“(iii) the responsibilities of depository institutions, Federal Home Loan Banks, and the National Credit Union Administration Central Liquidity Facility with respect to the crediting and distribution of earnings attributable to balances maintained, in accordance with subsection (c)(1)(A), in a Federal Reserve bank by any such entity on behalf of depository institutions.

“(C) DEPOSITORY INSTITUTIONS DEFINED.—

For purposes of this paragraph, the term ‘depository institution’, in addition to the institutions described in paragraph (1)(A), includes any trust company, corporation organized under section 25A or having an agreement with the Board under section 25, or any branch or agency of a foreign bank (as defined in section 1(b) of the International Banking Act of 1978).”.

(b) CONFORMING AMENDMENT.—Section 19 of the Federal Reserve Act (12 U.S.C. 461) is amended—

(1) in subsection (b)(4)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraphs (D) and (E) as subparagraphs (C) and (D), respectively; and

(2) in subsection (c)(1)(A), by striking “subsection (b)(4)(C)” and inserting “subsection (b)”.

##### SEC. 202. INCREASED FLEXIBILITY FOR THE FEDERAL RESERVE BOARD TO ESTABLISH RESERVE REQUIREMENTS.

Section 19(b)(2)(A) of the Federal Reserve Act (12 U.S.C. 461(b)(2)(A)) is amended—

(1) in clause (i), by striking “the ratio of 3 per centum” and inserting “a ratio of not greater than 3 percent (and which may be zero)”;

(2) in clause (ii), by striking “and not less than 8 per centum,” and inserting “(and which may be zero)”.

##### SEC. 203. EFFECTIVE DATE.

*The amendments made by this title shall take effect October 1, 2011.*

#### TITLE III—NATIONAL BANK PROVISIONS

##### SEC. 301. VOTING IN SHAREHOLDER ELECTIONS.

Section 5144 of the Revised Statutes of the United States (12 U.S.C. 61) is amended—

(1) by striking “or to cumulate” and inserting “or, if so provided by the articles of association of the national bank, to cumulate”; and

(2) by striking the comma after “his shares shall equal”.

##### SEC. 302. SIMPLIFYING DIVIDEND CALCULATIONS FOR NATIONAL BANKS.

(a) IN GENERAL.—Section 5199 of the Revised Statutes of the United States (12 U.S.C. 60) is amended to read as follows:

##### “SEC. 5199. NATIONAL BANK DIVIDENDS.

“(a) IN GENERAL.—Subject to subsection (b), the directors of any national bank may declare a dividend of so much of the undivided profits of the bank as the directors judge to be expedient.

“(b) APPROVAL REQUIRED UNDER CERTAIN CIRCUMSTANCES.—A national bank may not declare and pay dividends in any year in excess of an amount equal to the sum of the total of the net income of the bank for that year and the retained net income of the bank for the preceding 2 years, minus the sum of any transfers required by the Comptroller of the Currency and any transfers required to be made to a fund for the retirement of any preferred stock, unless the Comptroller of the Currency approves the declaration and payment of dividends in excess of such amount.”.

(b) CLERICAL AMENDMENT.—The table of sections for chapter three of title LXII of the

Revised Statutes of the United States is amended by striking the item relating to section 5199 and inserting the following:

“5199. National bank dividends.”.

**SEC. 303. REPEAL OF OBSOLETE LIMITATION ON REMOVAL AUTHORITY OF THE COMPTROLLER OF THE CURRENCY.**

Section 8(e)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(4)) is amended by striking the 5th sentence.

**SEC. 304. REPEAL OF OBSOLETE PROVISION IN THE REVISED STATUTES.**

Section 5143 of the Revised Statutes of the United States (12 U.S.C. 59) is amended to read as follows:

**“SEC. 5143. REDUCTION OF CAPITAL.**

“(a) IN GENERAL.—Subject to the approval of the Comptroller of the Currency, a national banking association may, by a vote of shareholders owning, in the aggregate, two-thirds of its capital stock, reduce its capital.

“(b) SHAREHOLDER DISTRIBUTIONS AUTHORIZED.—As part of its capital reduction plan approved in accordance with subsection (a), and with the affirmative vote of shareholders owning at least two thirds of the shares of each class of its stock outstanding (each voting as a class), a national banking association may distribute cash or other assets to its shareholders.”.

**SEC. 305. ENHANCING THE AUTHORITY FOR BANKS TO MAKE COMMUNITY DEVELOPMENT INVESTMENTS.**

(a) NATIONAL BANKS.—The paragraph designated as the “Eleventh.” of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended to read as follows:

“Eleventh. To make investments directly or indirectly, each of which promotes the public welfare by benefiting primarily low- and moderate-income communities or families (such as by providing housing, services, or jobs). An association shall not make any such investment if the investment would expose the association to unlimited liability. The Comptroller of the Currency shall limit an association’s investments in any 1 project and an association’s aggregate investments under this paragraph. An association’s aggregate investments under this paragraph shall not exceed an amount equal to the sum of 5 percent of the association’s capital stock actually paid in and unimpaired and 5 percent of the association’s unimpaired surplus fund, unless the Comptroller determines by order that the higher amount will pose no significant risk to the affected deposit insurance fund, and the association is adequately capitalized. In no case shall an association’s aggregate investments under this paragraph exceed an amount equal to the sum of 15 percent of the association’s capital stock actually paid in and unimpaired and 15 percent of the association’s unimpaired surplus fund. The foregoing standards and limitations apply to investments under this paragraph made by a national bank directly and by its subsidiaries.”.

(b) CONFORMING AMENDMENTS FOR STATE MEMBER BANKS.—The 23rd undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended to read as follows:

“(23) A State member bank may make investments directly or indirectly, each of which promotes the public welfare by benefiting primarily low- and moderate-income communities or families (such as by providing housing, services, or jobs), to the extent permissible under State law. A State member bank shall not make any such investment if the investment would expose the State member bank to unlimited liability. The Board shall limit a State member bank’s investment in any 1 project and a State member bank’s aggregate investments under this paragraph. The aggregate amount of investments of any State member bank under this paragraph may not exceed an amount equal to the sum of 5 percent of the State member bank’s capital stock actually paid in and unimpaired and 5

percent of the State member bank’s unimpaired surplus, unless the Board determines, by order, that a higher amount will pose no significant risk to the affected deposit insurance fund; and the State member bank is adequately capitalized. In no case shall the aggregate amount of investments of any State member bank under this paragraph exceed an amount equal to the sum of 15 percent of the State member bank’s capital stock actually paid in and unimpaired and 15 percent of the State member bank’s unimpaired surplus. The foregoing standards and limitations apply to investments under this paragraph made by a State member bank directly and by its subsidiaries.”.

**TITLE IV—SAVINGS ASSOCIATION PROVISIONS**

**SEC. 401. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE SECURITIES EXCHANGE ACT OF 1934 AND THE INVESTMENT ADVISERS ACT OF 1940.**

(a) SECURITIES EXCHANGE ACT OF 1934.—

(1) DEFINITION OF BANK.—Section 3(a)(6) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(6)) is amended—

(A) in subparagraph (A), by inserting “or a Federal savings association, as defined in section 2(5) of the Home Owners’ Loan Act” after “a banking institution organized under the laws of the United States”; and

(B) in subparagraph (C)—

(i) by inserting “or savings association, as defined in section 2(4) of the Home Owners’ Loan Act” after “banking institution”; and

(ii) by inserting “or savings associations” after “having supervision over banks”.

(2) INCLUSION OF OTS UNDER THE DEFINITION OF APPROPRIATE REGULATORY AGENCY FOR CERTAIN PURPOSES.—Section 3(a)(34) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(34)) is amended—

(A) in subparagraph (A)—

(i) in clause (ii), by striking “(i) or (iii)” and inserting “(i), (iii), or (iv)”; and

(ii) in clause (iii), by striking “and” at the end;

(iii) by redesignating clause (iv) as clause (v); and

(iv) by inserting after clause (iii) the following:

“(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))), the deposits of which are insured by the Federal Deposit Insurance Corporation, a subsidiary or a department or division of any such savings association, or a savings and loan holding company; and”;

(B) in subparagraph (B)—

(i) in clause (ii), by striking “(i) or (iii)” and inserting “(i), (iii), or (iv)”; and

(ii) in clause (iii), by striking “and” at the end;

(iii) by redesignating clause (iv) as clause (v); and

(iv) by inserting after clause (iii) the following:

“(iv) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))), the deposits of which are insured by the Federal Deposit Insurance Corporation, or a subsidiary of any such savings association, or a savings and loan holding company; and”;

(C) in subparagraph (C)—

(i) in clause (ii), by striking “(i) or (iii)” and inserting “(i), (iii), or (iv)”; and

(ii) in clause (iii), by striking “and” at the end;

(iii) by redesignating clause (iv) as clause (v); and

(iv) by inserting after clause (iii) the following:

“(iv) the Director of the Office of Thrift Supervision, in the case of a savings associa-

tion (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))), the deposits of which are insured by the Federal Deposit Insurance Corporation, a savings and loan holding company, or a subsidiary of a savings and loan holding company when the appropriate regulatory agency for such clearing agency is not the Commission; and”;

(D) in subparagraph (D)—

(i) in clause (ii), by striking “and” at the end;

(ii) by redesignating clause (iii) as clause (iv); and

(iii) by inserting after clause (ii) the following:

“(iii) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))) the deposits of which are insured by the Federal Deposit Insurance Corporation; and”;

(E) in subparagraph (F)—

(i) by redesignating clauses (ii), (iii), and (iv) as clauses (iii), (iv), and (v), respectively; and

(ii) by inserting after clause (i) the following:

“(ii) the Director of the Office of Thrift Supervision, in the case of a savings association (as defined in section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813(b))), the deposits of which are insured by the Federal Deposit Insurance Corporation; and”;

(F) by moving subparagraph (H) and inserting such subparagraph immediately after subparagraph (G); and

(G) by adding at the end of the undesignated matter at the end the following: “As used in this paragraph, the term ‘savings and loan holding company’ has the same meaning as in section 10(a) of the Home Owners’ Loan Act (12 U.S.C. 1467a(a)).”.

(3) CONFORMING EXEMPTION TO REPORTING REQUIREMENT.—Section 23(b)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78w(b)(1)) is amended by inserting “other than the Office of Thrift Supervision,” before “shall each”.

(b) INVESTMENT ADVISERS ACT OF 1940.—

(1) DEFINITION OF BANK.—Section 202(a)(2) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(2)) is amended—

(A) in subparagraph (A), by inserting “or a Federal savings association, as defined in section 2(5) of the Home Owners’ Loan Act” after “a banking institution organized under the laws of the United States”; and

(B) in subparagraph (C)—

(i) by inserting “, savings association, as defined in section 2(4) of the Home Owners’ Loan Act,” after “banking institution”; and

(ii) by inserting “or savings associations” after “having supervision over banks”.

(2) CONFORMING AMENDMENTS.—Section 210A of the Investment Advisers Act of 1940 (15 U.S.C. 80b-10a) is amended in each of subsections (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b), by striking “bank holding company” each place that term appears and inserting “bank holding company or savings and loan holding company”.

(c) CONFORMING AMENDMENT TO THE INVESTMENT COMPANY ACT OF 1940.—Section 10(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-10(c)) is amended by inserting after “1956)” the following: “or any one savings and loan holding company, together with its affiliates and subsidiaries (as such terms are defined in section 10 of the Home Owners’ Loan Act).”.

**SEC. 402. REPEAL OF OVERLAPPING RULES GOVERNING PURCHASED MORTGAGE SERVICING RIGHTS.**

Section 5(t) of the Home Owners’ Loan Act (12 U.S.C. 1464(t)) is amended—

(1) by striking paragraph (4) and inserting the following:

“(4) [Repealed].”; and

(2) in paragraph (9)(A), by striking “intangible assets, plus” and all that follows through the period at the end and inserting “intangible assets.”.

#### SEC. 403. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS ASSOCIATIONS FOR FEDERAL COURT JURISDICTION.

Section 5 of the Home Owners' Loan Act (12 U.S.C. 1464) is amended by adding at the end the following:

“(x) HOME STATE CITIZENSHIP.—In determining whether a Federal court has diversity jurisdiction over a case in which a Federal savings association is a party, the Federal savings association shall be considered to be a citizen only of the State in which such savings association has its home office.”.

#### SEC. 404. REPEAL OF LIMITATION ON LOANS TO ONE BORROWER.

Section 5(u)(2)(A) of the Home Owners' Loan Act (12 U.S.C. 1464(u)(2)(A)) is amended—

(1) in clause (i)—

(A) by striking “for any” and inserting “For any”; and

(B) by striking “; or” and inserting a period; and

(2) in clause (ii)—

(A) by striking “to develop domestic” and inserting “To develop domestic”; and

(B) by striking subclause (I); and

(C) by redesignating subclauses (II) through (V) as subclauses (I) through (IV), respectively.

#### TITLE V—CREDIT UNION PROVISIONS

#### SEC. 501. LEASES OF LAND ON FEDERAL FACILITIES FOR CREDIT UNIONS.

(a) IN GENERAL.—Section 124 of the Federal Credit Union Act (12 U.S.C. 1770) is amended—

(1) by striking “Upon application by any credit union” and inserting “Notwithstanding any other provision of law, upon application by any credit union”; and

(2) by inserting “on lands reserved for the use of, and under the exclusive or concurrent jurisdiction of, the United States or” after “officer or agency of the United States charged with the allotment of space”; and

(3) by inserting “lease land or” after “such officer or agency may in his or its discretion”; and

(4) by inserting “or the facility built on the lease land” after “credit union to be served by the allotment of space”.

(b) CLERICAL AMENDMENT.—The section heading for section 124 of the Federal Credit Union Act (12 U.S.C. 1770) is amended by inserting “OR FEDERAL LAND” after “BUILDINGS”.

#### SEC. 502. INCREASE IN GENERAL 12-YEAR LIMITATION OF TERM OF FEDERAL CREDIT UNION LOANS TO 15 YEARS.

Section 107(5) of the Federal Credit Union Act (12 U.S.C. 1757(5)) is amended in the matter preceding subparagraph (A), by striking “to make loans, the maturities of which shall not exceed twelve years” and inserting “to make loans, the maturities of which shall not exceed 15 years.”.

#### SEC. 503. CHECK CASHING AND MONEY TRANSFER SERVICES OFFERED WITHIN THE FIELD OF MEMBERSHIP.

Section 107(12) of the Federal Credit Union Act (12 U.S.C. 1757(12)) is amended to read as follows:

“(12) in accordance with regulations prescribed by the Board—

“(A) to sell, to persons in the field of membership, negotiable checks (including travelers checks), money orders, and other similar money transfer instruments (including international and domestic electronic fund transfers); and

“(B) to cash checks and money orders and receive international and domestic elec-

tronic fund transfers for persons in the field of membership for a fee;”.

#### SEC. 504. CLARIFICATION OF DEFINITION OF NET WORTH UNDER CERTAIN CIRCUMSTANCES FOR PURPOSES OF PROMPT CORRECTIVE ACTION.

Section 216(o)(2)(A) of the Federal Credit Union Act (12 U.S.C. 1790d(o)(2)(A)) is amended—

(1) by inserting “the” before “retained earnings balance”; and

(2) by inserting “, together with any amounts that were previously retained earnings of any other credit union with which the credit union has combined” before the semicolon at the end.

#### SEC. 505. AMENDMENTS RELATING TO NONFEDERALLY INSURED CREDIT UNIONS.

(a) IN GENERAL.—Subsection (a) of section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t(a)) is amended by adding at the end the following new paragraph:

“(3) ENFORCEMENT BY APPROPRIATE STATE SUPERVISOR.—Any appropriate State supervisor of a private deposit insurer, and any appropriate State supervisor of a depository institution which receives deposits that are insured by a private deposit insurer, may examine and enforce compliance with this subsection under the applicable regulatory authority of such supervisor.”.

(b) AMENDMENT RELATING TO DISCLOSURES REQUIRED, PERIODIC STATEMENTS, AND ACCOUNT RECORDS.—Section 43(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(1)) is amended by striking “or similar instrument evidencing a deposit” and inserting “or share certificate.”.

(c) AMENDMENTS RELATING TO DISCLOSURES REQUIRED, ADVERTISING, PREMISES.—Section 43(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(2)) is amended to read as follows:

“(2) ADVERTISING; PREMISES.—

“(A) IN GENERAL.—Include clearly and conspicuously in all advertising, except as provided in subparagraph (B); and at each station or window where deposits are normally received, its principal place of business and all its branches where it accepts deposits or opens accounts (excluding automated teller machines or point of sale terminals), and on its main Internet page, a notice that the institution is not federally insured.

“(B) EXCEPTIONS.—The following need not include a notice that the institution is not federally insured:

“(i) Any sign, document, or other item that contains the name of the depository institution, its logo, or its contact information, but only if the sign, document, or item does not include any information about the institution's products or services or information otherwise promoting the institution.

“(ii) Small utilitarian items that do not mention deposit products or insurance if inclusion of the notice would be impractical.”.

(d) AMENDMENTS RELATING TO ACKNOWLEDGMENT OF DISCLOSURE.—Section 43(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(b)(3)) is amended to read as follows:

“(3) ACKNOWLEDGMENT OF DISCLOSURE.—

“(A) NEW DEPOSITORS OBTAINED OTHER THAN THROUGH A CONVERSION OR MERGER.—With respect to any depositor who was not a depositor at the depository institution before the effective date of the Financial Services Regulatory Relief Act of 2006, and who is not a depositor as described in subparagraph (B), receive any deposit for the account of such depositor only if the depositor has signed a written acknowledgement that—

“(i) the institution is not federally insured; and

“(ii) if the institution fails, the Federal Government does not guarantee that the depositor will get back the depositor's money.

“(B) NEW DEPOSITORS OBTAINED THROUGH A CONVERSION OR MERGER.—With respect to a de-

positor at a federally insured depository institution that converts to, or merges into, a depository institution lacking federal insurance after the effective date of the Financial Services Regulatory Relief Act of 2006, receive any deposit for the account of such depositor only if—

“(i) the depositor has signed a written acknowledgement described in subparagraph (A); or

“(ii) the institution makes an attempt, as described in subparagraph (D) and sent by mail no later than 45 days after the effective date of the conversion or merger, to obtain the acknowledgement.

“(C) CURRENT DEPOSITORS.—Receive any deposit after the effective date of the Financial Services Regulatory Relief Act of 2006 for the account of any depositor who was a depositor on that date only if—

“(i) the depositor has signed a written acknowledgement described in subparagraph (A); or

“(ii) the institution has complied with the provisions of subparagraph (E) which are applicable as of the date of the deposit.

“(D) ALTERNATIVE PROVISION OF NOTICE TO NEW DEPOSITORS OBTAINED THROUGH A CONVERSION OR MERGER.—

“(i) IN GENERAL.—Transmit to each depositor who has not signed a written acknowledgement described in subparagraph (A)—

“(I) a conspicuous card containing the information described in clauses (i) and (ii) of subparagraph (A), and a line for the signature of the depositor; and

“(II) accompanying materials requesting the depositor to sign the card, and return the signed card to the institution.

“(E) ALTERNATIVE PROVISION OF NOTICE TO CURRENT DEPOSITORS.—

“(i) IN GENERAL.—Transmit to each depositor who was a depositor before the effective date of the Financial Services Regulatory Relief Act of 2006, and has not signed a written acknowledgement described in subparagraph (A)—

“(I) a conspicuous card containing the information described in clauses (i) and (ii) of subparagraph (A), and a line for the signature of the depositor; and

“(II) accompanying materials requesting the depositor to sign the card, and return the signed card to the institution.

“(ii) MANNER AND TIMING OF NOTICE.—

“(I) FIRST NOTICE.—Make the transmission described in clause (i) via mail not later than three months after the effective date of the Financial Services Regulatory Relief Act of 2006.

“(II) SECOND NOTICE.—Make a second transmission described in clause (i) via mail not less than 30 days and not more than three months after a transmission to the depositor in accordance with subclause (I), if the institution has not, by the date of such mailing, received from the depositor a card referred to in clause (i) which has been signed by the depositor.”.

(e) AMENDMENTS RELATING TO MANNER AND CONTENT OF DISCLOSURE.—Section 43(c) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(c)) is amended to read as follows:

“(c) MANNER AND CONTENT OF DISCLOSURE.—To ensure that current and prospective customers understand the risks involved in foregoing Federal deposit insurance, the Federal Trade Commission, by regulation or order, shall prescribe the manner and content of disclosure required under this section, which shall be presented in such format and in such type size and manner as to be simple and easy to understand.”.

(f) REPEAL OF PROVISION PROHIBITING NON-DEPOSITORY INSTITUTIONS FROM ACCEPTING DEPOSITS.—Section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t) is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g) as subsections (e) and (f), respectively.

(g) REPEAL OF FTC AUTHORITY TO ENFORCE INDEPENDENT AUDIT REQUIREMENT; CONCURRENT STATE ENFORCEMENT.—Subsection (f) (as

so redesignated by subsection (e) of this section) of section 43 of the Federal Deposit Insurance Act (12 U.S.C. 1831t) is amended to read as follows:

“(f) ENFORCEMENT.—

“(1) LIMITED FTC ENFORCEMENT AUTHORITY.—Compliance with the requirements of subsections (b), (c) and (e), and any regulation prescribed or order issued under any such subsection, shall be enforced under the Federal Trade Commission Act by the Federal Trade Commission.

“(2) BROAD STATE ENFORCEMENT AUTHORITY.—

“(A) IN GENERAL.—Subject to subparagraph (C), an appropriate State supervisor of a depository institution lacking Federal deposit insurance may examine and enforce compliance with the requirements of this section, and any regulation prescribed under this section.

“(B) STATE POWERS.—For purposes of bringing any action to enforce compliance with this section, no provision of this section shall be construed as preventing an appropriate State supervisor of a depository institution lacking Federal deposit insurance from exercising any powers conferred on such official by the laws of such State.

“(C) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION PENDING.—If the Federal Trade Commission has instituted an enforcement action for a violation of this section, no appropriate State supervisor may, during the pendency of such action, bring an action under this section against any defendant named in the complaint of the Commission for any violation of this section that is alleged in that complaint.”.

## TITLE VI—DEPOSITORY INSTITUTION PROVISIONS

### SEC. 601. REPORTING REQUIREMENTS RELATING TO INSIDER LENDING.

(a) REPORTING REQUIREMENTS REGARDING LOANS TO EXECUTIVE OFFICERS OF MEMBER BANKS.—Section 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is amended—

(1) by striking paragraphs (6) and (9); and

(2) by redesignating paragraphs (7), (8), and (10) as paragraphs (6), (7), and (8), respectively.

(b) REPORTING REQUIREMENTS REGARDING LOANS FROM CORRESPONDENT BANKS TO EXECUTIVE OFFICERS AND SHAREHOLDERS OF INSURED BANKS.—Section 106(b)(2) of the Bank Holding Company Act Amendments of 1970 (12 U.S.C. 1972(2)) is amended—

(1) by striking subparagraph (G); and

(2) by redesignating subparagraphs (H) and (I) as subparagraphs (G) and (H), respectively.

### SEC. 602. INVESTMENTS BY INSURED SAVINGS ASSOCIATIONS IN BANK SERVICE COMPANIES AUTHORIZED.

(a) IN GENERAL.—Sections 2 and 3 of the Bank Service Company Act (12 U.S.C. 1862, 1863) are each amended by striking “insured bank” each place that term appears and inserting “insured depository institution”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) BANK SERVICE COMPANY ACT DEFINITIONS.—Section 1(b) of the Bank Service Company Act (12 U.S.C. 1861(b)) is amended—

(A) in paragraph (4)—

(i) by inserting “, except when such term appears in connection with the term ‘insured depository institution’,” after “means”; and

(ii) by striking “Federal Home Loan Bank Board” and inserting “Director of the Office of Thrift Supervision”;

(B) by striking paragraph (5) and inserting the following:

“(5) INSURED DEPOSITORY INSTITUTION.—The term ‘insured depository institution’ has the same meaning as in section 3(c) of the Federal Deposit Insurance Act;”;

(C) by striking “and” at the end of paragraph (7);

(D) by striking the period at the end of paragraph (8) and inserting “; and”;

(E) by adding at the end the following:

“(9) the terms ‘State depository institution’, ‘Federal depository institution’, ‘State savings association’ and ‘Federal savings association’ have the same meanings as in section 3 of the Federal Deposit Insurance Act.”;

(F) in paragraph (2), in subparagraphs (A)(ii) and (B)(ii), by striking “insured banks” each place that term appears and inserting “insured depository institutions”; and

(G) in paragraph (8)—

(i) by striking “insured bank” and inserting “insured depository institution”;

(ii) by striking “insured banks” each place that term appears and inserting “insured depository institutions”; and

(iii) by striking “the bank’s” and inserting “the depository institution’s”.

(2) AMOUNT OF INVESTMENT.—Section 2 of the Bank Service Company Act (12 U.S.C. 1862) is amended by inserting “or savings associations, other than the limitation on the amount of investment by a Federal savings association contained in section 5(c)(4)(B) of the Home Owners’ Loan Act” after “relating to banks”.

(3) LOCATION OF SERVICES.—Section 4 of the Bank Service Company Act (12 U.S.C. 1864) is amended—

(A) in subsection (b), by inserting “as permissible under subsection (c), (d), or (e) or” after “Except”;

(B) in subsection (c), by inserting “or State savings association” after “State bank” each place that term appears;

(C) in subsection (d), by inserting “or Federal savings association” after “national bank” each place that term appears;

(D) by striking subsection (e) and inserting the following:

“(e) PERFORMANCE WHERE STATE BANK AND NATIONAL BANK ARE SHAREHOLDERS OR MEMBERS.—A bank service company may perform—

“(1) only those services that each depository institution shareholder or member is otherwise authorized to perform under any applicable Federal or State law; and

“(2) such services only at locations in a State in which each such shareholder or member is authorized to perform such services.”; and

(E) in subsection (f), by inserting “or savings associations” after “location of banks”.

(4) PRIOR APPROVAL OF INVESTMENTS.—Section 5 of the Bank Service Company Act (12 U.S.C. 1865) is amended—

(A) in subsection (a)—

(i) by striking “insured bank” and inserting “insured depository institution”; and

(ii) by striking “bank’s”; and

(iii) by inserting before the period “for the insured depository institution”;

(B) in subsection (b)—

(i) by striking “insured bank” and inserting “insured depository institution”;

(ii) by inserting “authorized only” after “performs any service”; and

(iii) by inserting “authorized only” after “perform any activity”; and

(C) in subsection (c)—

(i) by striking “the bank or banks” and inserting “any insured depository institution”; and

(ii) by striking “capability of the bank” and inserting “capability of the insured depository institution”.

(5) REGULATION AND EXAMINATION.—Section 7 of the Bank Service Company Act (12 U.S.C. 1867) is amended—

(A) in subsection (b), by striking “insured bank” and inserting “insured depository institution”; and

(B) in subsection (c)—

(i) by striking “a bank” each place that term appears and inserting “a depository institution”; and

(ii) by striking “the bank” each place that term appears and inserting “the depository institution”.

### SEC. 603. AUTHORIZATION FOR MEMBER BANK TO USE PASS-THROUGH RESERVE ACCOUNTS.

Section 19(c)(1)(B) of the Federal Reserve Act (12 U.S.C. 461(c)(1)(B)) is amended by striking “which is not a member bank”.

### SEC. 604. STREAMLINING REPORTS OF CONDITION.

Section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)) is amended by adding at the end the following:

“(11) STREAMLINING REPORTS OF CONDITION.—

“(A) REVIEW OF INFORMATION AND SCHEDULES.—Before the end of the 1-year period beginning on the date of enactment of the Financial Services Regulatory Relief Act of 2006 and before the end of each 5-year period thereafter, each Federal banking agency shall, in conjunction with the other relevant Federal banking agencies, review the information and schedules that are required to be filed by an insured depository institution in a report of condition required under paragraph (3).

“(B) REDUCTION OR ELIMINATION OF INFORMATION FOUND TO BE UNNECESSARY.—After completing the review required by subparagraph (A), a Federal banking agency, in conjunction with the other relevant Federal banking agencies, shall reduce or eliminate any requirement to file information or schedules under paragraph (3) (other than information or schedules that are otherwise required by law) if the agency determines that the continued collection of such information or schedules is no longer necessary or appropriate.”.

### SEC. 605. EXPANSION OF ELIGIBILITY FOR 18-MONTH EXAMINATION SCHEDULE FOR COMMUNITY BANKS.

Section 10(d)(4)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1820(d)(4)(A)) is amended by striking “\$250,000,000” and inserting “\$500,000,000”.

### SEC. 606. STREAMLINING DEPOSITORY INSTITUTION MERGER APPLICATION REQUIREMENTS.

(a) IN GENERAL.—Section 18(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(4)) is amended to read as follows:

“(4) REPORTS ON COMPETITIVE FACTORS.—

“(A) REQUEST FOR REPORT.—In the interests of uniform standards and subject to subparagraph (B), before acting on any application for approval of a merger transaction, the responsible agency shall—

“(i) request a report on the competitive factors involved from the Attorney General of the United States; and

“(ii) provide a copy of the request to the Corporation (when the Corporation is not the responsible agency).

“(B) FURNISHING OF REPORT.—The report requested under subparagraph (A) shall be furnished by the Attorney General to the responsible agency—

“(i) not later than 30 calendar days after the date on which the Attorney General received the request; or

“(ii) not later than 10 calendar days after such date, if the requesting agency advises the Attorney General that an emergency exists requiring expeditious action.

“(C) EXCEPTIONS.—A responsible agency may not be required to request a report under subparagraph (A) if—

“(i) the responsible agency finds that it must act immediately in order to prevent the probable failure of 1 of the insured depository institutions involved in the merger transaction; or

“(ii) the merger transaction involves solely an insured depository institution and 1 or more of the affiliates of such depository institution.”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Section 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is amended—

(1) in the second sentence, by striking “banks or savings associations involved and reports on the competitive factors have” and inserting “insured depository institutions involved, or if the proposed merger transaction is solely between an insured depository institution and 1 or more of its affiliates, and the report on the competitive factors has”; and

(2) by striking the penultimate sentence and inserting the following: “If the agency has advised the Attorney General under paragraph (4)(B)(ii) of the existence of an emergency requiring expeditious action and has requested a report on the competitive factors within 10 days, the transaction may not be consummated before the fifth calendar day after the date of approval by the agency.”.

#### SEC. 607. NONWAIVER OF PRIVILEGES.

(a) INSURED DEPOSITORY INSTITUTIONS.—Section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828) is amended by adding at the end the following:

“(x) PRIVILEGES NOT AFFECTED BY DISCLOSURE TO BANKING AGENCY OR SUPERVISOR.—

“(1) IN GENERAL.—The submission by any person of any information to any Federal banking agency, State bank supervisor, or foreign banking authority for any purpose in the course of any supervisory or regulatory process of such agency, supervisor, or authority shall not be construed as waiving, destroying, or otherwise affecting any privilege such person may claim with respect to such information under Federal or State law as to any person or entity other than such agency, supervisor, or authority.

“(2) RULE OF CONSTRUCTION.—No provision of paragraph (1) may be construed as implying or establishing that—

“(A) any person waives any privilege applicable to information that is submitted or transferred under any circumstance to which paragraph (1) does not apply; or

“(B) any person would waive any privilege applicable to any information by submitting the information to any Federal banking agency, State bank supervisor, or foreign banking authority, but for this subsection.”

(b) INSURED CREDIT UNIONS.—Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended by adding at the end the following:

“(j) PRIVILEGES NOT AFFECTED BY DISCLOSURE TO BANKING AGENCY OR SUPERVISOR.—

“(1) IN GENERAL.—The submission by any person of any information to the Administration, any State credit union supervisor, or foreign banking authority for any purpose in the course of any supervisory or regulatory process of such Board, supervisor, or authority shall not be construed as waiving, destroying, or otherwise affecting any privilege such person may claim with respect to such information under Federal or State law as to any person or entity other than such Board, supervisor, or authority.

“(2) RULE OF CONSTRUCTION.—No provision of paragraph (1) may be construed as implying or establishing that—

“(A) any person waives any privilege applicable to information that is submitted or transferred under any circumstance to which paragraph (1) does not apply; or

“(B) any person would waive any privilege applicable to any information by submitting the information to the Administration, any State credit union supervisor, or foreign banking authority, but for this subsection.”.

#### SEC. 608. CLARIFICATION OF APPLICATION REQUIREMENTS FOR OPTIONAL CONVERSION FOR FEDERAL SAVINGS ASSOCIATIONS.

(a) HOME OWNERS' LOAN ACT.—Section 5(i)(5) of the Home Owners' Loan Act (12 U.S.C. 1464(i)(5)) is amended to read as follows:

“(5) CONVERSION TO NATIONAL OR STATE BANK.—

“(A) IN GENERAL.—Any Federal savings association chartered and in operation before the date of enactment of the Gramm-Leach-Bliley Act, with branches in operation before such date of enactment in 1 or more States, may convert, at its option, with the approval of the Comptroller of the Currency for each national bank, and with the approval of the appropriate State bank supervisor and the appropriate Federal banking agency for each State bank, into 1 or more national or State banks, each of which may encompass 1 or more of the branches of the Federal savings association in operation before such date of enactment in 1 or more States subject to subparagraph (B).

“(B) CONDITIONS OF CONVERSION.—The authority in subparagraph (A) shall apply only if each resulting national or State bank—

“(i) will meet all financial, management, and capital requirements applicable to the resulting national or State bank; and

“(ii) if more than 1 national or State bank results from a conversion under this subparagraph, has received approval from the Federal Deposit Insurance Corporation under section 5(a) of the Federal Deposit Insurance Act.

“(C) NO MERGER APPLICATION UNDER FDIA REQUIRED.—No application under section 18(c) of the Federal Deposit Insurance Act shall be required for a conversion under this paragraph.

“(D) DEFINITIONS.—For purposes of this paragraph, the terms ‘State bank’ and ‘State bank supervisor’ have the same meanings as in section 3 of the Federal Deposit Insurance Act.”

(b) FEDERAL DEPOSIT INSURANCE ACT.—Section 4(c) of the Federal Deposit Insurance Act (12 U.S.C. 1814(c)) is amended—

(1) by inserting “of this Act and section 5(i)(5) of the Home Owners' Loan Act” after “Subject to section 5(d)”;

(2) in paragraph (2), after “insured State,” by inserting “or Federal”.

#### SEC. 609. EXEMPTION FROM DISCLOSURE OF PRIVACY POLICY FOR ACCOUNTANTS.

(a) IN GENERAL.—Section 503 of the Gramm-Leach-Bliley Act (15 U.S.C. 6803) is amended by adding at the end the following:

“(d) EXEMPTION FOR CERTIFIED PUBLIC ACCOUNTANTS.—

“(1) IN GENERAL.—The disclosure requirements of subsection (a) do not apply to any person, to the extent that the person is—

“(A) a certified public accountant;

“(B) certified or licensed for such purpose by a State; and

“(C) subject to any provision of law, rule, or regulation issued by a legislative or regulatory body of the State, including rules of professional conduct or ethics, that prohibits disclosure of nonpublic personal information without the knowing and expressed consent of the consumer.

“(2) LIMITATION.—Nothing in this subsection shall be construed to exempt or otherwise exclude any financial institution that is affiliated or becomes affiliated with a certified public accountant described in paragraph (1) from any provision of this section.

“(3) DEFINITIONS.—For purposes of this subsection, the term ‘State’ means any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, or the Northern Mariana Islands.”.

(b) CLERICAL AMENDMENTS.—Section 503 of the Gramm-Leach-Bliley Act (15 U.S.C. 6803) is amended—

(1) by redesignating subsection (b) as subsection (c); and

(2) in subsection (a), by striking “Such disclosures” and inserting the following:

“(b) REGULATIONS.—Disclosures required by subsection (a)”.

#### SEC. 610. INFLATION ADJUSTMENT FOR THE SMALL DEPOSITORY INSTITUTION EXCEPTION UNDER THE DEPOSITORY INSTITUTION MANAGEMENT INTERLOCKS ACT.

Section 203(1) of the Depository Institution Management Interlocks Act (12 U.S.C. 3202(1)) is amended by striking “\$20,000,000” and inserting “\$50,000,000”.

#### SEC. 611. MODIFICATION TO CROSS MARKETING RESTRICTIONS.

Section 4(n)(5)(B) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(n)(5)(B)) is amended by striking “subsection (k)(4)(I)” and inserting “subparagraph (H) or (I) of subsection (k)(4)”.

#### TITLE VII—BANKING AGENCY PROVISIONS

#### SEC. 701. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW OF APPOINTMENT OF A RECEIVER FOR DEPOSITORY INSTITUTIONS.

(a) NATIONAL BANKS.—Section 2 of the National Bank Receivership Act (12 U.S.C. 191) is amended—

(1) by amending the section heading to read as follows:

“SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL BANK.

“(a) IN GENERAL.—The Comptroller of the Currency”; and

(2) by adding at the end the following:

“(b) JUDICIAL REVIEW.—If the Comptroller of the Currency appoints a receiver under subsection (a), the national bank may, within 30 days thereafter, bring an action in the United States district court for the judicial district in which the home office of such bank is located, or in the United States District Court for the District of Columbia, for an order requiring the Comptroller of the Currency to remove the receiver, and the court shall, upon the merits, dismiss such action or direct the Comptroller of the Currency to remove the receiver.”.

(b) INSURED DEPOSITORY INSTITUTIONS.—Section 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C. 1821(c)(7)) is amended to read as follows:

“(7) JUDICIAL REVIEW.—If the Corporation is appointed (including the appointment of the Corporation as receiver by the Board of Directors) as conservator or receiver of a depository institution under paragraph (4), (9), or (10), the depository institution may, not later than 30 days thereafter, bring an action in the United States district court for the judicial district in which the home office of such depository institution is located, or in the United States District Court for the District of Columbia, for an order requiring the Corporation to be removed as the conservator or receiver (regardless of how such appointment was made), and the court shall, upon the merits, dismiss such action or direct the Corporation to be removed as the conservator or receiver.”.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to conservators or receivers appointed on or after the date of enactment of this Act.

#### SEC. 702. ENHANCING THE SAFETY AND SOUNDNESS OF INSURED DEPOSITORY INSTITUTIONS.

(a) CLARIFICATION RELATING TO THE ENFORCEABILITY OF AGREEMENTS AND CONDITIONS.—The Federal Deposit Insurance Act



(12 U.S.C. 1811 et seq.) is amended by adding at the end the following:

**“SEC. 1491 50. ENFORCEMENT OF AGREEMENTS.**

“(a) IN GENERAL.—Notwithstanding clause (i) or (ii) of section 8(b)(6)(A) or section 38(e)(2)(E)(i), the appropriate Federal banking agency for a depository institution may enforce, under section 8, the terms of—

“(1) any condition imposed in writing by the agency on the depository institution or an institution-affiliated party in connection with any action on any application, notice, or other request concerning the depository institution; or

“(2) any written agreement entered into between the agency and the depository institution or an institution-affiliated party.

“(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—After the appointment of the Corporation as the receiver or conservator for a depository institution, the Corporation may enforce any condition or agreement described in paragraph (1) or (2) of subsection (a) imposed on or entered into with such institution or institution-affiliated party through an action brought in an appropriate United States district court.”.

(b) PROTECTION OF CAPITAL OF INSURED DEPOSITORY INSTITUTIONS.—Section 18(u)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1828(u)(1)) is amended—

(1) by striking subparagraph (B);

(2) by redesignating subparagraph (C) as subparagraph (B); and

(3) in subparagraph (A), by adding “and” at the end.

(c) CONFORMING AMENDMENTS.—Section 8(b) of the Federal Deposit Insurance Act (12 U.S.C. 1818(b)) is amended—

(1) in paragraph (3), by striking “This subsection and subsections (c) through (s) and subsection (u) of this section” and inserting “This subsection, subsections (c) through (s) and subsection (u) of this section, and section [49] 50 of this Act”; and

(2) in paragraph (4), by striking “This subsection and subsections (c) through (s) and subsection (u) of this section” and inserting “This subsection, subsections (c) through (s) and subsection (u) of this section, and section [49] 50 of this Act”.

**SEC. 703. CROSS GUARANTEE AUTHORITY.**

Section 5(e)(9)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1815(e)(9)(A)) is amended to read as follows:

“(A) such institutions are controlled by the same company; or”.

**SEC. 704. GOLDEN PARACHUTE AUTHORITY AND NONBANK HOLDING COMPANIES.**

Section 18(k) of the Federal Deposit Insurance Act (12 U.S.C. 1828(k)) is amended—

(1) in paragraph (2)(A), by striking “or depository institution holding company” and inserting “or covered company”;

(2) in paragraph (2), by striking subparagraph (B), and inserting the following:

“(B) Whether there is a reasonable basis to believe that the institution-affiliated party is substantially responsible for—

“(i) the insolvency of the depository institution or covered company;

“(ii) the appointment of a conservator or receiver for the depository institution; or

“(iii) the troubled condition of the depository institution (as defined in the regulations prescribed pursuant to section 32(f)).”;

(3) in paragraph (2)(F), by striking “depository institution holding company” and inserting “covered company”;

(4) in paragraph (3) in the matter preceding subparagraph (A), by striking “depository institution holding company” and inserting “covered company”;

(5) in paragraph (3)(A), by striking “holding company” and inserting “covered company”;

(6) in paragraph (4)(A)—

(A) by striking “depository institution holding company” each place that term appears and inserting “covered company”; and

(B) by striking “holding company” each place that term appears (other than in connection with the term referred to in subparagraph (A)) and inserting “covered company”;

(7) in paragraph (5)(A), by striking “depository institution holding company” and inserting “covered company”;

(8) in paragraph (5), by adding at the end the following:

“(D) COVERED COMPANY.—The term ‘covered company’ means any depository institution holding company (including any company required to file a report under section 4(f)(6) of the Bank Holding Company Act of 1956), or any other company that controls an insured depository institution.”; and

(9) in paragraph (6)—

(A) by striking “depository institution holding company” and inserting “covered company.”; and

(B) by striking “or holding company” and inserting “or covered company”.

**SEC. 705. AMENDMENTS RELATING TO CHANGE IN BANK CONTROL.**

Section 7(j) of the Federal Deposit Insurance Act (12 U.S.C. 1817(j)) is amended—

(1) in paragraph (1)(D)—

(A) by striking “is needed to investigate” and inserting “is needed—

“(i) to investigate”;

(B) by striking “United States Code.” and inserting “United States Code; or”; and

(C) by adding at the end the following:

“(ii) to analyze the safety and soundness of any plans or proposals described in paragraph (6)(E) or the future prospects of the institution.”; and

(2) in paragraph (7)(C), by striking “the financial condition of any acquiring person” and inserting “either the financial condition of any acquiring person or the future prospects of the institution”.

**SEC. 706. AMENDMENT TO PROVIDE THE FEDERAL RESERVE BOARD WITH DISCRETION CONCERNING THE IMPUTATION OF CONTROL OF SHARES OF A COMPANY BY TRUSTEES.**

Section 2(g)(2) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(g)(2)) is amended by inserting before the period at the end “, unless the Board determines that such treatment is not appropriate in light of the facts and circumstances of the case and the purposes of this Act”.

**SEC. 707. INTERAGENCY DATA SHARING.**

(a) FEDERAL BANKING AGENCIES.—Section 7(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(2)) is amended by adding at the end the following:

“(C) DATA SHARING WITH OTHER AGENCIES AND PERSONS.—In addition to reports of examination, reports of condition, and other reports required to be regularly provided to the Corporation (with respect to all insured depository institutions, including a depository institution for which the Corporation has been appointed conservator or receiver) or an appropriate State bank supervisor (with respect to a State depository institution) under subparagraph (A) or (B), a Federal banking agency may, in the discretion of the agency, furnish any report of examination or other confidential supervisory information concerning any depository institution or other entity examined by such agency under authority of any Federal law, to—

“(i) any other Federal or State agency or authority with supervisory or regulatory authority over the depository institution or other entity;

“(ii) any officer, director, or receiver of such depository institution or entity; and

“(iii) any other person that the Federal banking agency determines to be appropriate.”.

(b) NATIONAL CREDIT UNION ADMINISTRATION.—Section 202(a) of the Federal Credit Union Act (12 U.S.C. 1782(a)) is amended by adding at the end the following:

“(8) DATA SHARING WITH OTHER AGENCIES AND PERSONS.—In addition to reports of examination, reports of condition, and other reports required to be regularly provided to the Board (with respect to all insured credit unions, including a credit union for which the Corporation has been appointed conservator or liquidating agent) or an appropriate State commission, board, or authority having supervision of a State-chartered credit union, the Board may, in the discretion of the Board, furnish any report of examination or other confidential supervisory information concerning any credit union or other entity examined by the Board under authority of any Federal law, to—

“(A) any other Federal or State agency or authority with supervisory or regulatory authority over the credit union or other entity;

“(B) any officer, director, or receiver of such credit union or entity; and

“(C) any other person that the Board determines to be appropriate.”.

**SEC. 708. CLARIFICATION OF EXTENT OF SUSPENSION, REMOVAL, AND PROHIBITION AUTHORITY OF FEDERAL BANKING AGENCIES IN CASES OF CERTAIN CRIMES BY INSTITUTION-AFFILIATED PARTIES.**

(a) INSURED DEPOSITORY INSTITUTIONS.—

(1) IN GENERAL.—Section 8(g)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)(1)) is amended—

(A) in subparagraph (A)—

(i) by striking “is charged in any information, indictment, or complaint, with the commission of or participation in” and inserting “is the subject of any information, indictment, or complaint, involving the commission of or participation in”;

(ii) by striking “may pose a threat to the interests of the depository institution’s depositors or may threaten to impair public confidence in the depository institution,” and insert “posed, poses, or may pose a threat to the interests of the depositors of, or threatened, threatens, or may threaten to impair public confidence in, any relevant depository institution (as defined in subparagraph (E)).”; and

(iii) by striking “affairs of the depository institution” and inserting “affairs of any depository institution”;

(B) in subparagraph (B)(i), by striking “the depository institution” and inserting “any depository institution that the subject of the notice is affiliated with at the time the notice is issued”;

(C) in subparagraph (C)(i)—

(i) by striking “may pose a threat to the interests of the depository institution’s depositors or may threaten to impair public confidence in the depository institution,” and insert “posed, poses, or may pose a threat to the interests of the depositors of, or threatened, threatens, or may threaten to impair public confidence in, any relevant depository institution (as defined in subparagraph (E)).”; and

(ii) by striking “affairs of the depository institution” and inserting “affairs of any depository institution”;

(D) in subparagraph (C)(ii), by striking “affairs of the depository institution” and inserting “affairs of any depository institution”;

(E) in subparagraph (D)(i), by striking “the depository institution” and inserting “any depository institution that the subject of the order is affiliated with at the time the order is issued”; and

(F) by adding at the end the following:

“(E) RELEVANT DEPOSITORY INSTITUTION.—For purposes of this subsection, the term

'relevant depository institution' means any depository institution of which the party is or was an institution-affiliated party at the time at which—

“(i) the information, indictment, or complaint described in subparagraph (A) was issued; or

“(ii) the notice is issued under subparagraph (A) or the order is issued under subparagraph (C)(i).”.

(2) CLERICAL AMENDMENT.—The subsection heading for section 8(g) of the Federal Deposit Insurance Act (12 U.S.C. 1818(g)) is amended to read as follows:

“(g) SUSPENSION, REMOVAL, AND PROHIBITION FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMINAL OFFENSES.—”.

(b) INSURED CREDIT UNIONS.—

(1) IN GENERAL.—Section 206(i)(1) of the Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is amended—

(A) in subparagraph (A), by striking “the credit union” each place that term appears and inserting “any credit union”;

(B) in subparagraph (B)(i), by inserting “of which the subject of the order is, or most recently was, an institution-affiliated party” before the period at the end;

(C) in subparagraph (C)—

(i) by striking “the credit union” each place such term appears and inserting “any credit union”; and

(ii) by striking “the credit union’s” and inserting “any credit union’s”;

(D) in subparagraph (D)(i), by striking “upon such credit union” and inserting “upon the credit union of which the subject of the order is, or most recently was, an institution-affiliated party”; and

(E) by adding at the end the following:

“(E) CONTINUATION OF AUTHORITY.—The Board may issue an order under this paragraph with respect to an individual who is an institution-affiliated party at a credit union at the time of an offense described in subparagraph (A) without regard to—

“(i) whether such individual is an institution-affiliated party at any credit union at the time the order is considered or issued by the Board; or

“(ii) whether the credit union at which the individual was an institution-affiliated party at the time of the offense remains in existence at the time the order is considered or issued by the Board.”.

(2) CLERICAL AMENDMENT.—Section 206(i) of the Federal Credit Union Act (12 U.S.C. 1786(i)) is amended by striking “(i)” at the beginning and inserting the following:

“(i) SUSPENSION, REMOVAL, AND PROHIBITION FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN CRIMINAL OFFENSES.—”.

#### SEC. 709. PROTECTION OF CONFIDENTIAL INFORMATION RECEIVED BY FEDERAL BANKING REGULATORS FROM FOREIGN BANKING SUPERVISORS.

Section 15 of the International Banking Act of 1978 (12 U.S.C. 3109) is amended by adding at the end the following:

“(c) CONFIDENTIAL INFORMATION RECEIVED FROM FOREIGN SUPERVISORS.—

“(1) IN GENERAL.—Except as provided in paragraph (3), a Federal banking agency may not be compelled to disclose information received from a foreign regulatory or supervisory authority if—

“(A) the Federal banking agency determines that the foreign regulatory or supervisory authority has, in good faith, determined and represented in writing to such Federal banking agency that public disclosure of the information would violate the laws applicable to that foreign regulatory or supervisory authority; and

“(B) the relevant Federal banking agency obtained such information pursuant to—

“(i) such procedures as the Federal banking agency may establish for use in connec-

tion with the administration and enforcement of Federal banking laws; or

“(ii) a memorandum of understanding or other similar arrangement between the Federal banking agency and the foreign regulatory or supervisory authority.

“(2) TREATMENT UNDER TITLE 5, UNITED STATES CODE.—For purposes of section 552 of title 5, United States Code, this subsection shall be treated as a statute described in subsection (b)(3)(B) of such section.

“(3) SAVINGS PROVISION.—No provision of this section shall be construed as—

“(A) authorizing any Federal banking agency to withhold any information from any duly authorized committee of the House of Representatives or the Senate; or

“(B) preventing any Federal banking agency from complying with an order of a court of the United States in an action commenced by the United States or such agency.

“(4) FEDERAL BANKING AGENCY DEFINED.—For purposes of this subsection, the term ‘Federal banking agency’ means the Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Director of the Office of Thrift Supervision.”.

#### ISec. 710. PROHIBITION ON PARTICIPATION BY CONVICTED INDIVIDUALS.

[(a) EXTENSION OF AUTOMATIC PROHIBITION.—Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829) is amended by adding at the end the following:

[(“(d) BANK HOLDING COMPANIES.—Subsections (a) and (b) shall apply to any company (other than a foreign bank) that is a bank holding company and any organization organized and operated under section 25A of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act, as if such bank holding company or organization were an insured depository institution, except that such subsections shall be applied for purposes of this subsection by substituting ‘Board of Governors of the Federal Reserve System’ for ‘Corporation’ each place that term appears in such subsections.

[(“(e) SAVINGS AND LOAN HOLDING COMPANIES.—Subsections (a) and (b) shall apply to any savings and loan holding company and any subsidiary (other than a savings association) of a savings and loan holding company as if such savings and loan holding company or subsidiary were an insured depository institution, except that subsections shall be applied for purposes of this subsection by substituting ‘Director of the Office of Thrift Supervision’ for ‘Corporation’ each place that term appears in such subsections.”.

[(b) ENHANCED DISCRETION TO REMOVE CONVICTED INDIVIDUALS.—Section 8(e)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(2)(A)) is amended—

[(1) by striking “or” at the end of clause (ii);

[(2) by striking the comma at the end of clause (iii) and inserting “; or”; and

[(3) by adding at the end the following:

[(“(iv) an institution-affiliated party of a subsidiary (other than a bank) of a bank holding company has been convicted of any criminal offense involving dishonesty or a breach of trust, or a criminal violation of section 1956, 1957, or 1960 of title 18 United States Code, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such an offense.”.]

#### SEC. 710. PROHIBITION ON PARTICIPATION BY CONVICTED INDIVIDUALS.

(a) EXTENSION OF AUTOMATIC PROHIBITION.—Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829) is amended by adding at the end the following new subsections:

[(“(d) BANK HOLDING COMPANIES.—

“(1) IN GENERAL.—Subsections (a) and (b) shall apply to any company (other than a for-

eign bank) that is a bank holding company and any organization organized and operated under section 25A of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act, as if such bank holding company or organization were an insured depository institution, except that such subsections shall be applied for purposes of this subsection by substituting ‘Board of Governors of the Federal Reserve System’ for ‘Corporation’ each place that term appears in such subsections.

“(2) AUTHORITY OF BOARD.—The Board of Governors of the Federal Reserve System may provide exemptions, by regulation or order, from the application of paragraph (1) if the exemption is consistent with the purposes of this subsection.

[(“(e) SAVINGS AND LOAN HOLDING COMPANIES.—

“(1) IN GENERAL.—Subsections (a) and (b) shall apply to any savings and loan holding company as if such savings and loan holding company were an insured depository institution, except that such subsections shall be applied for purposes of this subsection by substituting ‘Director of the Office of Thrift Supervision’ for ‘Corporation’ each place that term appears in such subsections.

“(2) AUTHORITY OF DIRECTOR.—The Director of the Office of Thrift Supervision may provide exemptions, by regulation or order, from the application of paragraph (1) if the exemption is consistent with the purposes of this subsection.”.

(b) ENHANCED DISCRETION TO REMOVE CONVICTED INDIVIDUALS.—Section 8(e)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1818(e)(2)(A)) is amended—

(1) by striking “or” at the end of clause (ii);

(2) by striking the comma at the end of clause (iii) and inserting “; or”; and

“(3) by adding at the end the following new clause:

“(iv) an institution-affiliated party of a subsidiary (other than a bank) of a bank holding company or of a subsidiary (other than a savings association) of a savings and loan holding company has been convicted of any criminal offense involving dishonesty or a breach of trust or a criminal offense under section 1956, 1957, or 1960 of title 18, United States Code, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such an offense.”.

#### SEC. 711. COORDINATION OF STATE EXAMINATION AUTHORITY.

Section 10(h) of the Federal Deposit Insurance Act (12 U.S.C. 1820(h)) is amended to read as follows:

“(h) COORDINATION OF EXAMINATION AUTHORITY.—

“(1) STATE BANK SUPERVISORS OF HOME AND HOST STATES.—

“(A) HOME STATE OF BANK.—The appropriate State bank supervisor of the home State of an insured State bank has authority to examine and supervise the bank.

“(B) HOST STATE BRANCHES.—The State bank supervisor of the home State of an insured State bank and any State bank supervisor of an appropriate host State shall exercise its respective authority to supervise and examine the branches of the bank in a host State in accordance with the terms of any applicable cooperative agreement between the home State bank supervisor and the State bank supervisor of the relevant host State.

“(C) SUPERVISORY FEES.—Except as expressly provided in a cooperative agreement between the State bank supervisors of the home State and any host State of an insured State bank, only the State bank supervisor of the home State of an insured State bank may levy or charge State supervisory fees on the bank.

“(2) HOST STATE EXAMINATION.—

“(A) IN GENERAL.—With respect to a branch operated in a host State by an out-of-State



insured State bank that resulted from an interstate merger transaction approved under section 44, or that was established in such State pursuant to section 5155(g) of the Revised Statutes of the United States, the third undesignated paragraph of section 9 of the Federal Reserve Act or section 18(d)(4) of this Act, the appropriate State bank supervisor of such host State may—

“(i) with written notice to the State bank supervisor of the bank’s home State and subject to the terms of any applicable cooperative agreement with the State bank supervisor of such home State, examine such branch for the purpose of determining compliance with host State laws that are applicable pursuant to section 24(j), including those that govern community reinvestment, fair lending, and consumer protection; and

“(ii) if expressly permitted under and subject to the terms of a cooperative agreement with the State bank supervisor of the bank’s home State or if such out-of-State insured State bank has been determined to be in a troubled condition by either the State bank supervisor of the bank’s home State or the bank’s appropriate Federal banking agency, participate in the examination of the bank by the State bank supervisor of the bank’s home State to ascertain that the activities of the branch in such host State are not conducted in an unsafe or unsound manner.

“(B) NOTICE OF DETERMINATION.—

“(i) IN GENERAL.—The State bank supervisor of the home State of an insured State bank shall notify the State bank supervisor of each host State of the bank if there has been a final determination that the bank is in a troubled condition.

“(ii) TIMING OF NOTICE.—The State bank supervisor of the home State of an insured State bank shall provide notice under clause (i) as soon as is reasonably possible, but in all cases not later than 15 business days after the date on which the State bank supervisor has made such final determination or has received written notification of such final determination.

“(3) HOST STATE ENFORCEMENT.—If the State bank supervisor of a host State determines that a branch of an out-of-State insured State bank is violating any law of the host State that is applicable to such branch pursuant to section 24(j), including a law that governs community reinvestment, fair lending, or consumer protection, the State bank supervisor of the host State or, to the extent authorized by the law of the host State, a host State law enforcement officer may, with written notice to the State bank supervisor of the bank’s home State and subject to the terms of any applicable cooperative agreement with the State bank supervisor of the bank’s home State, undertake such enforcement actions and proceedings as would be permitted under the law of the host State as if the branch were a bank chartered by that host State.

“(4) COOPERATIVE AGREEMENT.—

“(A) IN GENERAL.—The State bank supervisors from 2 or more States may enter into cooperative agreements to facilitate State regulatory supervision of State banks, including cooperative agreements relating to the coordination of examinations and joint participation in examinations.

“(B) DEFINITION.—For purposes of this subsection, the term ‘cooperative agreement’ means a written agreement that is signed by the home State bank supervisor and the host State bank supervisor to facilitate State regulatory supervision of State banks, and includes nationwide or multi-State cooperative agreements and cooperative agreements solely between the home State and host State.

“(C) RULE OF CONSTRUCTION.—Except for State bank supervisors, no provision of this

subsection relating to such cooperative agreements shall be construed as limiting in any way the authority of home State and host State law enforcement officers, regulatory supervisors, or other officials that have not signed such cooperative agreements to enforce host State laws that are applicable to a branch of an out-of-State insured State bank located in the host State pursuant to section 24(j).

“(5) FEDERAL REGULATORY AUTHORITY.—No provision of this subsection shall be construed as limiting in any way the authority of any Federal banking agency.

“(6) STATE TAXATION AUTHORITY NOT AFFECTED.—No provision of this subsection shall be construed as affecting the authority of any State or political subdivision of any State to adopt, apply, or administer any tax or method of taxation to any bank, bank holding company, or foreign bank, or any affiliate of any bank, bank holding company, or foreign bank, to the extent that such tax or tax method is otherwise permissible by or under the Constitution of the United States or other Federal law.

“(7) DEFINITIONS.—For purpose of this section, the following definitions shall apply:

“(A) HOST STATE, HOME STATE, OUT-OF-STATE BANK.—The terms ‘host State’, ‘home State’, and ‘out-of-State bank’ have the same meanings as in section 44(g).

“(B) STATE SUPERVISORY FEES.—The term ‘State supervisory fees’ means assessments, examination fees, branch fees, license fees, and all other fees that are levied or charged by a State bank supervisor directly upon an insured State bank or upon branches of an insured State bank.

“(C) TROUBLED CONDITION.—Solely for purposes of paragraph (2)(B), an insured State bank has been determined to be in ‘troubled condition’ if the bank—

“(i) has a composite rating, as determined in its most recent report of examination, of 4 or 5 under the Uniform Financial Institutions Ratings System;

“(ii) is subject to a proceeding initiated by the Corporation for termination or suspension of deposit insurance; or

“(iii) is subject to a proceeding initiated by the State bank supervisor of the bank’s home State to vacate, revoke, or terminate the charter of the bank, or to liquidate the bank, or to appoint a receiver for the bank.

“(D) FINAL DETERMINATION.—For purposes of paragraph (2)(B), the term ‘final determination’ means the transmittal of a report of examination to the bank or transmittal of official notice of proceedings to the bank.”.

#### SEC. 712. DEPUTY DIRECTOR; SUCCESSION AUTHORITY FOR DIRECTOR OF THE OFFICE OF THRIFT SUPERVISION.

(a) ESTABLISHMENT OF POSITION OF DEPUTY DIRECTOR.—Section 3(c)(5) of the Home Owners’ Loan Act (12 U.S.C. 1462a(c)(5)) is amended to read as follows:

“(5) DEPUTY DIRECTOR.—

“(A) IN GENERAL.—The Secretary of the Treasury shall appoint a Deputy Director, and may appoint not more than 3 additional Deputy Directors of the Office.

“(B) FIRST DEPUTY DIRECTOR.—If the Secretary of the Treasury appoints more than 1 Deputy Director of the Office, the Secretary shall designate one such appointee as the First Deputy Director.

“(C) DUTIES.—Each Deputy Director appointed under this paragraph shall take an oath of office and perform such duties as the Director shall direct.

“(D) COMPENSATION AND BENEFITS.—The Director shall fix the compensation and benefits for each Deputy Director in accordance with this Act.”.

(b) SERVICE OF DEPUTY DIRECTOR AS ACTING DIRECTOR.—Section 3(c)(3) of the Home Own-

ers’ Loan Act (12 U.S.C. 1462a(c)(3)) is amended—

(1) by striking “**VACANCY.**—A vacancy in the position of Director” and inserting “**VACANCY.**—

“(A) IN GENERAL.—A vacancy in the position of Director”; and

(2) by adding at the end the following:

“(B) ACTING DIRECTOR.—

“(i) IN GENERAL.—In the event of a vacancy in the position of Director or during the absence or disability of the Director, the Deputy Director shall serve as Acting Director.

“(ii) SUCCESSION IN CASE OF 2 OR MORE DEPUTY DIRECTORS.—If there are 2 or more Deputy Directors serving at the time a vacancy in the position of Director occurs or the absence or disability of the Director commences, the First Deputy Director shall serve as Acting Director under clause (i) followed by such other Deputy Directors under any order of succession the Director may establish.

“(iii) AUTHORITY OF ACTING DIRECTOR.—Any Deputy Director, while serving as Acting Director under this subparagraph, shall be vested with all authority, duties, and privileges of the Director under this Act and any other provision of Federal law.”.

#### SEC. 713. OFFICE OF THRIFT SUPERVISION REPRESENTATION ON BASEL COMMITTEE ON BANKING SUPERVISION.

(a) IN GENERAL.—Section 912 of the International Lending Supervision Act of 1983 (12 U.S.C. 3911) is amended—

(1) in the section heading, by inserting at the end the following: “**AND THE OFFICE OF THRIFT SUPERVISION**”; and

(2) by striking “As one of the three” and inserting the following:

“(a) IN GENERAL.—As one of the 4”; and

(3) by adding at the end the following:

“(b) As one of the 4 Federal bank regulatory and supervisory agencies, the Office of Thrift Supervision shall be given equal representation with the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation on the Committee on Banking Regulations and Supervisory Practices of the Group of Ten Countries and Switzerland.”.

(b) CONFORMING AMENDMENTS.—Section 910(a) of the International Lending Supervision Act of 1983 (12 U.S.C. 3909(a)) is amended—

(1) in paragraph (2), by striking “insured bank” and inserting “insured depository institution”; and

(2) in paragraph (3), by striking “an ‘insured bank’, as such term is used in section 3(h)” and inserting “an ‘insured depository institution’, as such term is defined in section 3(c)(2)”.

#### SEC. 714. FEDERAL FINANCIAL INSTITUTIONS EXAMINATION COUNCIL.

(a) COUNCIL MEMBERSHIP.—Section 1004(a) of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3303(a)) is amended—

(1) in paragraph (4), by striking “Thrift” and all that follows through the end of the paragraph and inserting “Thrift Supervision.”;

(2) in paragraph (5) by striking the period at the end and inserting “, and”; and

(3) by adding at the end the following:

“(6) the Chairman of the State Liaison Committee.”.

(b) CHAIRPERSON OF LIAISON COMMITTEE.—Section 1007 of the Federal Financial Institutions Examination Council Act of 1978 (12 U.S.C. 3306) is amended by adding at the end the following: “Members of the Liaison Committee shall elect a chairperson from among the members serving on the committee.”.

**SEC. 715. TECHNICAL AMENDMENTS RELATING TO INSURED INSTITUTIONS.**

(a) **TECHNICAL AMENDMENT TO THE FEDERAL DEPOSIT INSURANCE ACT.**—Section 8(i)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1818(i)(3)) is amended by inserting “or order” after “notice” each place that term appears.

(b) **TECHNICAL AMENDMENT TO THE FEDERAL CREDIT UNION ACT.**—Section 206(k)(3) of the Federal Credit Union Act (12 U.S.C. 1786(k)(3)) is amended by inserting “or order” after “notice” each place that term appears.

**SEC. 716. CLARIFICATION OF ENFORCEMENT AUTHORITY.**

(a) **ACTIONS ON APPLICATIONS, NOTICES, AND OTHER REQUESTS; CLARIFICATION THAT CHANGE IN CONTROL CONDITIONS ARE ENFORCEABLE.**—Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended—

(1) in subsection (b)(1), in the first sentence, by striking “the granting of any application or other request by the depository institution” and inserting “any action on any application, notice, or other request by the depository institution or institution-affiliated party.”;

(2) in subsection (e)(1)(A)(i)(III), by striking “the grant of any application or other request by such depository institution” and inserting “any action on any application, notice, or request by such depository institution or institution-affiliated party.”; and

(3) in subsection (i)(2)(A)(iii), by striking “the grant of any application or other request by such depository institution” and inserting “any action on any application, notice, or other request by the depository institution or institution-affiliated party.”.

(b) **CLARIFICATION THAT CHANGE IN CONTROL CONDITIONS ARE ENFORCEABLE.**—Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended—

(1) in subsection (b)(1), in the first sentence, by striking “the granting of any application or other request by the credit union” and inserting “any action on any application, notice, or other request by the credit union or institution-affiliated party.”;

(2) in subsection (g)(1)(A)(i)(III), by striking “the grant of any application or other request by such credit union” and inserting “any action on any application, notice, or request by such credit union or institution-affiliated party.”; and

(3) in subsection (k)(2)(A)(iii), by striking “the grant of any application or other request by such credit union” and inserting “any action on any application, notice, or other request by the credit union or institution-affiliated party.”.

**SEC. 717. FEDERAL BANKING AGENCY AUTHORITY TO ENFORCE DEPOSIT INSURANCE CONDITIONS.**

Section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818) is amended—

(1) in subsection (b)(1), in the 1st sentence—

(A) by striking “in writing by the agency” and inserting “in writing by a Federal banking agency”; and

(B) by striking “the agency may issue and serve” and inserting “the appropriate Federal banking agency for the depository institution may issue and serve”;

(2) in subsection (e)(1)—

(A) in subparagraph (A)(i)(III), by striking “in writing by the appropriate Federal banking agency” and inserting “in writing by a Federal banking agency”; and

(B) in the undersigned matter at the end, by striking “the agency may serve upon such party” and inserting “the appropriate Federal banking agency for the depository institution may serve upon such party.”; and

(3) in subsection (i)(2)(A)(iii), by striking “in writing by the appropriate Federal banking agency” and inserting “in writing by a Federal banking agency.”.

**SEC. 718. RECEIVER OR CONSERVATOR CONSENT REQUIREMENT.**

(a) **INSURED DEPOSITORY INSTITUTIONS.**—Section 11(e)(13) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(13)) is amended by adding at the end the following:

“(C) **CONSENT REQUIREMENT.**—

“(i) **IN GENERAL.**—Except as otherwise provided by this section or section 15, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which the depository institution is a party, or to obtain possession of or exercise control over any property of the institution or affect any contractual rights of the institution, without the consent of the conservator or receiver, as appropriate, during the 45-day period beginning on the date of the appointment of the conservator, or during the 90-day period beginning on the date of the appointment of the receiver, as applicable.

“(ii) **CERTAIN EXCEPTIONS.**—No provision of this subparagraph shall apply to a director or officer liability insurance contract or a depository institution bond, to the rights of parties to certain qualified financial contracts pursuant to paragraph (8), or to the rights of parties to netting contracts pursuant to subtitle A of title IV of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 4401 et seq.), or shall be construed as permitting the conservator or receiver to fail to comply with otherwise enforceable provisions of such contract.

“(iii) **RULE OF CONSTRUCTION.**—Nothing in this subparagraph shall be construed to limit or otherwise affect the applicability of title 11, United States Code.”.

(b) **INSURED CREDIT UNIONS.**—Section 207(c)(12) of the Federal Credit Union Act (12 U.S.C. 1787(c)(12)) is amended by adding the following:

“(C) **CONSENT REQUIREMENT.**—

“(i) **IN GENERAL.**—Except as otherwise provided by this section, no person may exercise any right or power to terminate, accelerate, or declare a default under any contract to which the credit union is a party, or to obtain possession of or exercise control over any property of the credit union or affect any contractual rights of the credit union, without the consent of the conservator or liquidating agent, as appropriate, during the 45-day period beginning on the date of the appointment of the conservator, or during the 90-day period beginning on the date of the appointment of the liquidating agent, as applicable.

“(ii) **CERTAIN EXCEPTIONS.**—No provision of this subparagraph shall apply to a director or officer liability insurance contract or a credit union bond, or to the rights of parties to certain qualified financial contracts pursuant to paragraph (8), or shall be construed as permitting the conservator or liquidating agent to fail to comply with otherwise enforceable provisions of such contract.

“(iii) **RULE OF CONSTRUCTION.**—Nothing in this subparagraph shall be construed to limit or otherwise affect the applicability of title 11, United States Code.”.

**SEC. 719. ACQUISITION OF FICO SCORES.**

Section 604(a) of the Fair Credit Reporting Act (15 U.S.C. 1681b(a)) is amended by adding at the end the following:

“(6) To the Federal Deposit Insurance Corporation or the National Credit Union Administration as part of its preparation for its appointment or as part of its exercise of powers, as conservator, receiver, or liquidating agent for an insured depository institution or insured credit union under the Federal Deposit Insurance Act or the Federal Credit Union Act, or other applicable Federal or State law, or in connection with the resolution or liquidation of a failed or failing in-

sured depository institution or insured credit union, as applicable.”.

**SEC. 720. ELIMINATION OF CRIMINAL INDICTMENTS AGAINST RECEIVERSHIPS.**

(a) **INSURED DEPOSITORY INSTITUTIONS.**—Section 15(b) of the Federal Deposit Insurance Act (12 U.S.C. 1825(b)) is amended by inserting immediately after paragraph (3) the following:

“(4) **EXEMPTION FROM CRIMINAL PROSECUTION.**—The Corporation shall be exempt from all prosecution by the United States or any State, county, municipality, or local authority for any criminal offense arising under Federal, State, county, municipal, or local law, which was allegedly committed by the institution, or persons acting on behalf of the institution, prior to the appointment of the Corporation as receiver.”.

(b) **INSURED CREDIT UNIONS.**—Section 207(b)(2) of the Federal Credit Union Act (12 U.S.C. 1787(b)(2)) is amended by adding at the end the following:

“(K) **EXEMPTION FROM CRIMINAL PROSECUTION.**—The Administration shall be exempt from all prosecution by the United States or any State, county, municipality, or local authority for any criminal offense arising under Federal, State, county, municipal, or local law, which was allegedly committed by a credit union, or persons acting on behalf of a credit union, prior to the appointment of the Administration as liquidating agent.”.

**SEC. 721. RESOLUTION OF DEPOSIT INSURANCE DISPUTES.**

(a) **INSURED DEPOSITORY INSTITUTIONS.**—Section 11(f) of the Federal Deposit Insurance Act (12 U.S.C. 1821(f)) is amended by striking paragraphs (3) through (5) and inserting the following:

“(3) **RESOLUTION OF DISPUTES.**—A determination by the Corporation regarding any claim for insurance coverage shall be treated as a final determination for purposes of this section. In its discretion, the Corporation may promulgate regulations prescribing procedures for resolving any disputed claim relating to any insured deposit or any determination of insurance coverage with respect to any deposit.

“(4) **REVIEW OF CORPORATION DETERMINATION.**—A final determination made by the Corporation regarding any claim for insurance coverage shall be a final agency action reviewable in accordance with chapter 7 of title 5, United States Code, by the United States district court for the Federal judicial district where the principal place of business of the depository institution is located.

“(5) **STATUTE OF LIMITATIONS.**—Any request for review of a final determination by the Corporation regarding any claim for insurance coverage shall be filed with the appropriate United States district court not later than 60 days after the date on which such determination is issued.”.

(b) **INSURED CREDIT UNIONS.**—Section 207(d) of the Federal Credit Union Act (12 U.S.C. 1787(d)) is amended by striking paragraphs (3) through (5) and inserting the following:

“(3) **RESOLUTION OF DISPUTES.**—A determination by the Administration regarding any claim for insurance coverage shall be treated as a final determination for purposes of this section. In its discretion, the Board may promulgate regulations prescribing procedures for resolving any disputed claim relating to any insured deposit or any determination of insurance coverage with respect to any deposit. A final determination made by the Board regarding any claim for insurance coverage shall be a final agency action reviewable in accordance with chapter 7 of title 5, United States Code, by the United States district court for the Federal judicial district where the principal place of business of the credit union is located.

“(4) STATUTE OF LIMITATIONS.—Any request for review of a final determination by the Board regarding any claim for insurance coverage shall be filed with the appropriate United States district court not later than 60 days after the date on which such determination is issued.”.

#### SEC. 722. RECORDKEEPING.

(a) INSURED DEPOSITORY INSTITUTIONS.—Section 11(d)(15)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(d)(15)(D)) is amended—

(1) by striking “After the end of the 6-year period” and inserting the following:

“(i) IN GENERAL.—Except as provided in clause (ii), after the end of the 6-year period”; and

(2) by adding at the end the following:

“(ii) OLD RECORDS.—Notwithstanding clause (i), the Corporation may destroy records of an insured depository institution which are at least 10 years old as of the date on which the Corporation is appointed as the receiver of such depository institution in accordance with clause (i) at any time after such appointment is final, without regard to the 6-year period of limitation contained in clause (i).”.

(b) INSURED CREDIT UNIONS.—Section 207(b)(15)(D) of the Federal Credit Union Act (12 U.S.C. 1787(b)(15)(D)) is amended—

(1) by striking “After the end of the 6-year period” and inserting the following:

“(i) IN GENERAL.—Except as provided in clause (ii), after the end of the 6-year period”; and

(2) by adding at the end the following:

“(ii) OLD RECORDS.—Notwithstanding clause (i) the Board may destroy records of an insured credit union which are at least 10 years old as of the date on which the Board is appointed as liquidating agent of such credit union in accordance with clause (i) at any time after such appointment is final, without regard to the 6-year period of limitation contained in clause (i).”.

#### SEC. 723. PRESERVATION OF RECORDS.

(a) INSURED DEPOSITORY INSTITUTIONS.—Section 10(f) of the Federal Deposit Insurance Act (12 U.S.C. 1820(f)) is amended to read as follows:

“(f) PRESERVATION OF AGENCY RECORDS.—

“(1) IN GENERAL.—A Federal banking agency may cause any and all records, papers, or documents kept by the agency or in the possession or custody of the agency to be—

“(A) photographed or microphotographed or otherwise reproduced upon film; or

“(B) preserved in any electronic medium or format which is capable of—

“(i) being read or scanned by computer; and

“(ii) being reproduced from such electronic medium or format by printing any other form of reproduction of electronically stored data.

“(2) TREATMENT AS ORIGINAL RECORDS.—Any photographs, microphotographs, or photographic film or copies thereof described in paragraph (1)(A) or reproduction of electronically stored data described in paragraph (1)(B) shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies, and shall be admissible to prove any act, transaction, occurrence, or event therein recorded.

“(3) AUTHORITY OF THE FEDERAL BANKING AGENCIES.—Any photographs, microphotographs, or photographic film or copies thereof described in paragraph (1)(A) or reproduction of electronically stored data described in paragraph (1)(B) shall be preserved in such manner as the Federal banking agency shall prescribe, and the original records, papers, or documents may be destroyed or otherwise disposed of as the Federal banking agency may direct.”.

(b) INSURED CREDIT UNIONS.—Section 206(s) of the Federal Credit Union Act (12 U.S.C. 1786(s)) is amended by adding at the end the following:

“(9) PRESERVATION OF RECORDS.—

“(A) IN GENERAL.—The Board may cause any and all records, papers, or documents kept by the Administration or in the possession or custody of the Administration to be—

“(i) photographed or microphotographed or otherwise reproduced upon film; or

“(ii) preserved in any electronic medium or format which is capable of—

“(I) being read or scanned by computer; and

“(II) being reproduced from such electronic medium or format by printing or any other form of reproduction of electronically stored data.

“(B) TREATMENT AS ORIGINAL RECORDS.—Any photographs, micrographs, or photographic film or copies thereof described in subparagraph (A)(i) or reproduction of electronically stored data described in subparagraph (A)(ii) shall be deemed to be an original record for all purposes, including introduction in evidence in all State and Federal courts or administrative agencies, and shall be admissible to prove any act, transaction, occurrence, or event therein recorded.

“(C) AUTHORITY OF THE ADMINISTRATION.—Any photographs, microphotographs, or photographic film or copies thereof described in subparagraph (A)(i) or reproduction of electronically stored data described in subparagraph (A)(ii) shall be preserved in such manner as the Administration shall prescribe, and the original records, papers, or documents may be destroyed or otherwise disposed of as the Administration may direct.”.

#### SEC. 724. TECHNICAL AMENDMENTS TO INFORMATION SHARING PROVISION IN THE FEDERAL DEPOSIT INSURANCE ACT.

Section 11(t) of the Federal Deposit Insurance Act (12 U.S.C. 1821(t)) is amended—

(1) in paragraph (1), by inserting “, in any capacity,” after “A covered agency”; and

(2) in paragraph (2)(A)—

(A) in clause (i), by striking “appropriate”; and

(B) by striking clause (ii); and

(C) by redesignating clauses (iii) through (vi) as clauses (ii) through (v), respectively.

#### SEC. 725. TECHNICAL AND CONFORMING AMENDMENTS RELATING TO BANKS OPERATING UNDER THE CODE OF LAW FOR THE DISTRICT OF COLUMBIA.

(a) FEDERAL RESERVE ACT.—The Federal Reserve Act (12 U.S.C. 221 et seq.) is amended—

(1) in the second undesignated paragraph of the first section (12 U.S.C. 221), by adding at the end the following: “For purposes of this Act, a State bank includes any bank which is operating under the Code of Law for the District of Columbia.”; and

(2) in the first sentence of the first undesignated paragraph of section 9 (12 U.S.C. 321), by striking “incorporated by special law of any State, or” and inserting “incorporated by special law of any State, operating under the Code of Law for the District of Columbia, or”.

(b) BANK CONSERVATION ACT.—Section 202 of the Bank Conservation Act (12 U.S.C. 202) is amended—

(1) by striking “means (1) any national” and inserting “means any national”; and

(2) by striking “, and (2) any bank or trust company located in the District of Columbia and operating under the supervision of the Comptroller of the Currency”.

(c) DEPOSITORY INSTITUTION DEREGULATION AND MONETARY CONTROL ACT OF 1980.—Part C of title VII of the Depository Institution Deregulation and Monetary Control Act of 1980 (12 U.S.C. 216 et seq.) is amended—

(1) in paragraph (1) of section 731 (12 U.S.C. 216(1)), by striking “and closed banks in the District of Columbia”; and

(2) in paragraph (2) of section 732 (12 U.S.C. 216a(2)), by striking “or closed banks in the District of Columbia”.

(d) FEDERAL DEPOSIT INSURANCE ACT.—Section 3(a)(2)(B) of the Federal Deposit Insurance Act (12 U.S.C. 1813(a)(2)(B)) is amended by striking “(except a national bank)”.

(e) NATIONAL BANK CONSOLIDATION AND MERGER ACT.—Section 7(l) of the National Bank Consolidation and Merger Act (12 U.S.C. 215b(1)) is amended by striking “(except a national banking association located in the District of Columbia)”.

(f) ACT OF AUGUST 17, 1950.—Section 1(a) of the Act entitled “An Act to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes” and approved August 17, 1950 (12 U.S.C. 214(a)) is amended by striking “(except a national banking association)”.

(g) FEDERAL TRADE COMMISSION ACT.—Section 18(f)(2) of the Federal Trade Commission Act (15 U.S.C. 57a(f)(2)) is amended—

(1) in subparagraph (A), by striking “, banks operating under the code of law for the District of Columbia.”; and

(2) in subparagraph (B), by striking “and banks operating under the code of law for the District of Columbia”.

#### SEC. 726. TECHNICAL CORRECTIONS TO THE FEDERAL CREDIT UNION ACT.

The Federal Credit Union Act (12 U.S.C. 1751 et seq.) is amended as follows:

(1) In section 101(3), strike “and” after the semicolon.

(2) In section 101(5), strike the terms “account account” and “account accounts” each place any such term appears and insert “account”.

(3) In section 107(5)(E), strike the period at the end and insert a semicolon.

(4) In each of paragraphs (6) and (7) of section 107, strike the period at the end and insert a semicolon.

(5) In section 107(7)(D), strike “the Federal Savings and Loan Insurance Corporation or”.

(6) In section 107(7)(E), strike “the Federal Home Loan Bank Board,” and insert “the Federal Housing Finance Board,”.

(7) In section 107(9), strike “subchapter III” and insert “title III”.

(8) In section 107(13), strike “and” after the semicolon at the end.

(9) In section 109(c)(2)(A)(i), strike “(12 U.S.C. 4703(16))”.

(10) In section 120(h), strike “the Act approved July 30, 1947 (6 U.S.C., secs. 6–13),” and insert “chapter 93 of title 31, United States Code,”.

(11) In section 201(b)(5), strike “section 116 of”.

(12) In section 202(h)(3), strike “section 207(c)(1)” and insert “section 207(k)(1)”.

(13) In section 204(b), strike “such others powers” and insert “such other powers”.

(14) In section 206(e)(3)(D), strike “and” after the semicolon at the end.

(15) In section 206(f)(1), strike “subsection (e)(3)(B)” and insert “subsection (e)(3)”.

(16) In section 206(g)(7)(D), strike “and subsection (1)”.

(17) In section 206(t)(2)(B), insert “regulations” after “as defined in”.

(18) In section 206(t)(2)(C), strike “material affect” and insert “material effect”.

(19) In section 206(t)(4)(A)(ii)(II), strike “or” after the semicolon at the end.

(20) In section 206A(a)(2)(A), strike “regulator agency” and insert “regulatory agency”.

(21) In section 207(c)(5)(B)(i)(I), insert “and” after the semicolon at the end.

(22) In the heading for subparagraph (A) of section 207(d)(3), strike “To” and insert “WITH”.

(23) In section 207(f)(3)(A), strike “category or claimants” and insert “category of claimants”.

(24) In section 209(a)(8), strike the period at the end and insert a semicolon.

(25) In section 216(n), insert “any action” before “that is required”.

(26) In section 304(b)(3), strike “the affairs or such credit union” and insert “the affairs of such credit union”.

(27) In section 310, strike “section 102(e)” and insert “section 102(d)”.

**SEC. 727. REPEAL OF OBSOLETE PROVISIONS OF THE BANK HOLDING COMPANY ACT OF 1956.**

(a) IN GENERAL.—Section 2 of the Bank Holding Company Act of 1956 (12 U.S.C. 1841) is amended—

(1) in subsection (c)(2), by striking subparagraphs (I) and (J); and

(2) by striking subsection (m) and inserting the following:

“(m) [Repealed]”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—Paragraphs (1) and (2) of section 4(h) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(h)) are each amended by striking “(G), (H), (I), or (J) of section 2(c)(2)” and inserting “(G), or (H) of section 2(c)(2)”.

**SEC. 728. DEVELOPMENT OF MODEL PRIVACY FORM.**

Section 503 of the Gramm-Leach-Bliley Act (15 U.S.C. 6803), as amended by section 609, is amended by adding at the end the following:

“(e) MODEL FORMS.—

“(1) IN GENERAL.—The agencies referred to in section 504(a)(1) shall jointly develop a model form which may be used, at the option of the financial institution, for the provision of disclosures under this section.

“(2) FORMAT.—A model form developed under paragraph (1) shall—

“(A) be comprehensible to consumers, with a clear format and design;

“(B) provide for clear and conspicuous disclosures;

“(C) enable consumers easily to identify the sharing practices of a financial institution and to compare privacy practices among financial institutions; and

“(D) be succinct, and use an easily readable type font.

“(3) TIMING.—A model form required to be developed by this subsection shall be issued in proposed form for public comment not later than 180 days after the date of enactment of this subsection.

“(4) SAFE HARBOR.—Any financial institution that elects to provide the model form developed by the agencies under this subsection shall be deemed to be in compliance with the disclosures required under this section.”.

**TITLE VIII—FAIR DEBT COLLECTION PRACTICES ACT AMENDMENTS**

**SEC. 801. EXCEPTION FOR CERTAIN BAD CHECK ENFORCEMENT PROGRAMS.**

(a) IN GENERAL.—The Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended—

(1) by redesignating section 818 as section 819; and

(2) by inserting after section 817 the following:

**“§818. Exception for certain bad check enforcement programs operated by private entities**

“(a) IN GENERAL.—

“(1) TREATMENT OF CERTAIN PRIVATE ENTITIES.—Subject to paragraph (2), a private entity shall be excluded from the definition of a debt collector, pursuant to the exception provided in section 803(6), with respect to the operation by the entity of a program de-

scribed in paragraph (2)(A) under a contract described in paragraph (2)(B).

“(2) CONDITIONS OF APPLICABILITY.—Paragraph (1) shall apply if—

“(A) a State or district attorney establishes, within the jurisdiction of such State or district attorney and with respect to alleged bad check violations that do not involve a check described in subsection (b), a pretrial diversion program for alleged bad check offenders who agree to participate voluntarily in such program to avoid criminal prosecution;

“(B) a private entity, that is subject to an administrative support services contract with a State or district attorney and operates under the direction, supervision, and control of such State or district attorney, operates the pretrial diversion program described in subparagraph (A); and

“(C) in the course of performing duties delegated to it by a State or district attorney under the contract, the private entity referred to in subparagraph (B)—

“(i) complies with the penal laws of the State;

“(ii) conforms with the terms of the contract and directives of the State or district attorney;

“(iii) does not exercise independent prosecutorial discretion;

“(iv) contacts any alleged offender referred to in subparagraph (A) for purposes of participating in a program referred to in such paragraph—

“(I) only as a result of any determination by the State or district attorney that probable cause of a bad check violation under State penal law exists, and that contact with the alleged offender for purposes of participation in the program is appropriate; and

“(II) the alleged offender has failed to pay the bad check after demand for payment, pursuant to State law, is made for payment of the check amount;

“(v) includes as part of an initial written communication with an alleged offender a clear and conspicuous statement that—

“(I) the alleged offender may dispute the validity of any alleged bad check violation;

“(II) where the alleged offender knows, or has reasonable cause to believe, that the alleged bad check violation is the result of theft or forgery of the check, identity theft, or other fraud that is not the result of the conduct of the alleged offender, the alleged offender may file a crime report with the appropriate law enforcement agency; and

“(III) if the alleged offender notifies the private entity or the district attorney in writing, not later than 30 days after being contacted for the first time pursuant to clause (iv), that there is a dispute pursuant to this subsection, before further restitution efforts are pursued, the district attorney or an employee of the district attorney authorized to make such a determination makes a determination that there is probable cause to believe that a crime has been committed; and

“(vi) charges only fees in connection with services under the contract that have been authorized by the contract with the State or district attorney.

“(b) CERTAIN CHECKS EXCLUDED.—A check is described in this subsection if the check involves, or is subsequently found to involve—

“(1) a postdated check presented in connection with a payday loan, or other similar transaction, where the payee of the check knew that the issuer had insufficient funds at the time the check was made, drawn, or delivered;

“(2) a stop payment order where the issuer acted in good faith and with reasonable cause in stopping payment on the check;

“(3) a check dishonored because of an adjustment to the issuer's account by the financial institution holding such account without providing notice to the person at the time the check was made, drawn, or delivered;

“(4) a check for partial payment of a debt where the payee had previously accepted partial payment for such debt;

“(5) a check issued by a person who was not competent, or was not of legal age, to enter into a legal contractual obligation at the time the check was made, drawn, or delivered; or

“(6) a check issued to pay an obligation arising from a transaction that was illegal in the jurisdiction of the State or district attorney at the time the check was made, drawn, or delivered.

“(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

“(1) STATE OR DISTRICT ATTORNEY.—The term ‘State or district attorney’ means the chief elected or appointed prosecuting attorney in a district, county (as defined in section 2 of title 1, United States Code), municipality, or comparable jurisdiction, including State attorneys general who act as chief elected or appointed prosecuting attorneys in a district, county (as so defined), municipality or comparable jurisdiction, who may be referred to by a variety of titles such as district attorneys, prosecuting attorneys, commonwealth's attorneys, solicitors, county attorneys, and state's attorneys, and who are responsible for the prosecution of State crimes and violations of jurisdiction-specific local ordinances.

“(2) CHECK.—The term ‘check’ has the same meaning as in section 3(6) of the Check Clearing for the 21st Century Act.

“(3) BAD CHECK VIOLATION.—The term ‘bad check violation’ means a violation of the applicable State criminal law relating to the writing of dishonored checks.”.

(b) CLERICAL AMENDMENT.—The table of sections for the Fair Debt Collection Practices Act (15 U.S.C. 1692 et seq.) is amended—

(1) by redesignating the item relating to section 818 as section 819; and

(2) by inserting after the item relating to section 817 the following new item:

“818. Exception for certain bad check enforcement programs operated by private entities.”.

**SEC. 802. OTHER AMENDMENTS.**

(a) LEGAL PLEADINGS.—Section 809 of the Fair Debt Collection Practices Act (15 U.S.C. 1692g) is amended by adding at the end the following new subsection:

“(d) LEGAL PLEADINGS.—A communication in the form of a formal pleading in a civil action shall not be treated as an initial communication for purposes of subsection (a).”.

(b) NOTICE PROVISIONS.—Section 809 of the Fair Debt Collection Practices Act (15 U.S.C. 1692g) is amended by adding after subsection (d) (as added by subsection (a) of this section) the following new subsection:

“(e) NOTICE PROVISIONS.—The sending or delivery of any form or notice which does not relate to the collection of a debt and is expressly required by the Internal Revenue Code of 1986, title V of Gramm-Leach-Bliley Act, or any provision of Federal or State law relating to notice of data security breach or privacy, or any regulation prescribed under any such provision of law, shall not be treated as an initial communication in connection with debt collection for purposes of this section.”.

(c) ESTABLISHMENT OF RIGHT TO COLLECT WITHIN THE FIRST 30 DAYS.—Section 809(b) of the Fair Debt Collection Practices Act (15 U.S.C. 1692g(b)) is amended by adding at the end the following new sentences: “Collection activities and communications that do not otherwise violate this title may continue during the 30-day

period referred to in subsection (a) unless the consumer has notified the debt collector in writing that the debt, or any portion of the debt, is disputed or that the consumer requests the name and address of the original creditor. Any collection activities and communication during the 30-day period may not overshadow or be inconsistent with the disclosure of the consumer's right to dispute the debt or request the name and address of the original creditor."

#### TITLE IX—CASH MANAGEMENT MODERNIZATION

##### SEC. 901. COLLATERAL MODERNIZATION.

(a) IN GENERAL.—Section 9301(2) of title 31, United States Code, is amended to read as follows:

"(2) 'eligible obligation' means any security designated as acceptable in lieu of a surety bond by the Secretary of the Treasury."

(b) USE OF ELIGIBLE OBLIGATIONS INSTEAD OF SURETY BONDS.—Section 9303(a)(2) of title 31, United States Code, is amended to read as follows:

"(2) as determined by the Secretary of the Treasury, have a market value that is equal to or greater than the amount of the required surety bond; and"

(c) TECHNICAL AMENDMENTS.—Section 9303 of title 31, United States Code, is amended—

(1) in the section heading, by striking "Government obligations" and inserting "eligible obligations";

(2) in subsection (f), by striking "Government obligations" and inserting "eligible obligations";

(3) by striking "a Government obligation" each place that term appears and inserting "an eligible obligation"; and

(4) by striking "Government obligation" each place that term appears and inserting "eligible obligation".

#### TITLE X—STUDIES AND REPORTS

##### SEC. 1001. STUDY AND REPORT BY THE COMPTROLLER GENERAL ON THE CURRENCY TRANSACTION REPORT FILING SYSTEM.

(a) IN GENERAL.—The Comptroller General of the United States shall conduct a study on the volume of currency transaction reports filed with the Secretary of the Treasury under section 5313(a) of title 31, United States Code.

(b) PURPOSE.—The purpose of the study required under subsection (a) shall be—

(1) to evaluate, on the basis of actual filing data, patterns of currency transaction reports filed by depository institutions of all sizes and locations; and

(2) to identify whether and the extent to which the filing rules for currency transaction reports described in section 5313(a) of title 31, United States Code—

(A) are burdensome; and

(B) can or should be modified to reduce such burdens without harming the usefulness of such filing rules to Federal, State, and local anti-terrorism, law enforcement, and regulatory operations.

(c) PERIOD COVERED.—The study required under subsection (a) shall cover the period beginning at least 3 calendar years prior to the date of enactment of this section.

(d) CONTENT.—The study required under subsection (a) shall include a detailed evaluation of—

(1) the extent to which depository institutions are availing themselves of the exemption system for the filing of currency transaction reports set forth in section 103.22(d) of title 31, Code of Federal Regulations, as in effect during the study period (in this section referred to as the "exemption system"), including specifically, for the study period—

(A) the number of currency transaction reports filed (out of the total annual numbers) involving companies that are listed on the New York Stock Exchange or the NASDAQ National Market;

(B) the number of currency transaction reports filed by the 100 largest depository institutions in the United States by asset size, and thereafter in tiers of 100, by asset size;

(C) the number of currency transaction reports filed by the 200 smallest depository institutions in the United States, including the number of such currency transaction reports involving companies listed on the New York Stock Exchange or the NASDAQ National Market; and

(D) the number of currency transaction reports that would have been filed during the filing period if the exemption system had been used by all depository institutions in the United States;

(2) what types of depository institutions are using the exemption system, and the extent to which such exemption system is used;

(3) difficulties that limit the willingness or ability of depository institutions to reduce their currency transaction reports reporting burden by making use of the exemption system, including considerations of cost, especially in the case of small depository institutions;

(4) the extent to which bank examination difficulties have limited the use of the exemption system, especially with respect to—

(A) the exemption of privately-held companies permitted under such exemption system; and

(B) whether, on a sample basis, the reaction of bank examiners to implementation of such exemption system is justified or inhibits use of such exemption system without an offsetting compliance benefit;

(5) ways to improve the use of the exemption system by depository institutions, including making such exemption system mandatory in order to reduce the volume of currency transaction reports unnecessarily filed; and

(6) the usefulness of currency transaction reports filed to law enforcement agencies, taking into account—

(A) advances in information technology;

(B) the impact, including possible loss of investigative data, that various changes in the exemption system would have on the usefulness of such currency transaction reports; and

(C) changes that could be made to the exemption system without affecting the usefulness of currency transaction reports.

(e) ASSISTANCE.—The Secretary of the Treasury shall provide such information processing and other assistance, including from the Commissioner of the Internal Revenue Service and the Director of the Financial Crimes Enforcement Network, to the Comptroller General in analyzing currency transaction report filings for the study period described in subsection (c), as is necessary to provide the information required by subsection (a).

(f) VIEWS.—The study required under subsection (a) shall, if appropriate, include a discussion of the views of a representative sample of Federal, State, and local law enforcement and regulatory officials and officials of depository institutions of all sizes.

(g) RECOMMENDATIONS.—The study required under subsection (a) shall, if appropriate, include recommendations for changes to the exemption system that would reflect a reduction in unnecessary cost to depository institutions, assuming reasonably full implementation of such exemption system, without reducing the usefulness of the currency transaction report filing system to anti-terrorism, law enforcement, and regulatory operations.

(h) REPORT.—Not later than 15 months after the date of enactment of this section, the Comptroller General shall submit a report on the study required under subsection

(a) to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives.

##### SEC. 1002. STUDY AND REPORT ON INSTITUTION DIVERSITY AND CONSOLIDATION.

(a) STUDY.—The Comptroller General of the United States shall conduct a study regarding—

(1) the vast diversity in the size and complexity of institutions in the banking and financial services sector, including the differences in capital, market share, geographical limitations, product offerings, and general activities;

(2) the differences in powers among the depository institution charters, including—

(A) identification of the historical trends in the evolution of depository institution charters;

(B) an analysis of the impact of charter differences to the overall safety and soundness of the banking industry, and the effectiveness of the applicable depository institution regulator; and

(C) an analysis of the impact that the availability of options for depository institution charters on the development of the banking industry;

(3) the impact that differences of size and overall complexity among financial institutions makes with respect to regulatory oversight, efficiency, safety and soundness, and charter options for financial institutions; and

(4) the aggregate cost and breakdown associated with regulatory compliance for banks, savings associations, credit unions, or any other financial institution, including potential disproportionate impact that the cost of compliance may pose on smaller institutions, given the percentage of personnel that the institution must dedicate solely to compliance.

(b) CONSIDERATIONS.—In conducting the study under subsection (a), the Comptroller General shall consider the efficacy and efficiency of the consolidation of financial regulators, as well as charter simplification and homogenization.

(c) REPORT.—Not later than 1 year after the date of enactment of this Act, the Comptroller General of the United States shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on the results of the study required by this section.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentleman from Massachusetts (Mr. FRANK) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

#### GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today the House will consider regulatory relief legislation for the financial services industry and its regulatory agencies.

The Financial Services Committee has been working on this legislation

for 5 years now, and I am pleased to announce that we have reached agreement with the Senate on this important legislation. The bill before us today should be taken up by the Senate later this week and on the President's desk shortly thereafter.

On March 8, 2006, the House began the effort in this Congress by passing H.R. 3505, the Financial Services Regulatory Relief Act of 2005, by a vote of 415-2. On May 25, 2006, the Senate passed its version of this legislation, S. 2856, by voice vote.

S. 2856 includes only about one-half of H.R. 3505's provisions and five sections that were not part of the bill coming from the House. Two of the five provisions added by the Senate were contained in H.R. 1224, which passed the House on May 24, 2005, by a 424-1 vote. These provisions authorize the Fed to pay interest on reserve balances and giving the Fed greater flexibility to set the ratio of reserve deposits a depository institution must maintain against transaction accounts.

The other provision added by the Senate in S. 2856, one, allows the Treasury Department to determine the types of securities that may be pledged in lieu of security bonds; two, requires the Government Accountability Office to study and report to Congress on currency transaction reports filed with the Treasury Department and on the costs of regulatory compliance.

□ 1745

And, three, direct the SEC and banking agencies to jointly issue regulations implementing a section of the Graham-Leach-Bliley Act.

Today, I am recommending that the House accept the Senate version of this legislation with six amendments that have been agreed to by the minority in this Chamber and by both sides of the aisle in the Senate.

Two amendments make acceptable changes to sections concerning a prohibition on employment of convicted individuals in banking organizations and regarding consumer notices under the Fair Debt Collection Practices Act.

A third amendment mandates that the SEC and the Fed jointly adopt rules concerning banks' brokerage activities exempt from SEC oversight in accordance with the intent of the Graham-Leach-Bliley Act and deletes the provision in the Senate bill which would have permitted the Federal banking regulators to seek an expedited judicial review of any SEC rule making in this area.

The fourth amendment concerns a budget offset related to the payment of interest on Fed reserve balances.

The fifth increases the amount of unimpaired capital and surplus that a national bank may invest to promote the public welfare.

Finally, the sixth amendment updates the Federal Deposit Insurance Act to provide clarity and certainty for depository institutions lacking Federal deposit insurance as it relates to disclosure and advertising.

Mr. Speaker, the financial services industry is laboring under an enormous regulatory burden. While many of the regulations are necessary to protect consumers and meet other worthy public policy objectives, a number are clearly burdensome. For this reason, shortly after I assumed the chairmanship of the committee, I asked the financial regulators and industry trade groups to give us their best advice on how we could ease regulatory requirements faced by insurer depositories. The goal was to free depository institutions from such regulations so they can better serve their customers and communities.

It was clear then, as it is now, that there also needs to be a counterbalance to the significant compliance responsibilities placed on depository institutions by the USA PATRIOT Act, as well as other Government efforts to counter terrorist financing.

Excessive regulation affects all sectors of the financial services industry but presents the greatest burden for smaller institutions. For small banks that continue to serve their historic role as a financial lifeline for local communities, they must be free to operate in a regulatory environment that does not unduly constrain them.

The bill contains a broad range of constructive provisions that, taken as a whole, will allow banks, thrifts and credit unions to devote more resources to the business of providing financial services and less to compliance with outdated and unneeded regulations.

I want to congratulate Mr. HENSARLING and Mr. MOORE, who introduced the bill last year, and Mr. BACHUS, the chairman of the Financial Institutions Subcommittee, which held numerous hearings on this important issue.

Mrs. CAPITO also deserves recognition for her longstanding support of regulatory relief legislation and actually sponsoring the first legislation in the last Congress before she moved to the Rules Committee.

Mr. Speaker, the financial services industry spends a great deal of money every year complying with outdated and ineffective regulation. That is money that could instead be loaned for new homes, new cars, and new projects, fueling job growth in local communities. The sooner we enact this legislation, the sooner we will provide needed relief to depository institutions and increased financial opportunities for both consumers and businesses.

Mr. Speaker, I urge Members to support passage of S. 2856, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I concur with the description given by my colleague from Ohio.

I am a liberal. I believe that regulation is important if we are going to have the kind of society that preserves

the quality of life. And, as a believer in regulation, I feel obligated to make sure that we do not have more regulation than is required and that we should not have inefficient regulation.

I was very pleased to participate in this bipartisan effort to strip away unneeded regulation and to reform regulation that has a role to make sure that it does the job right.

I regret the fact that our colleagues in the Senate did not fully accept what we offered, but this is a compromise. We want to get something done. This represents our best effort to send them something that they will accept, and I am glad to do that.

Mr. Speaker, at this point, I would like to engage the Chairman in a colloquy or two.

Mr. Chairman, in this bill, the amendment to section 305 seems to change the community development investment standard for banks. Will this invalidate or otherwise affect any investments or written commitments that banks may have made under the law that is now in effect?

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from Ohio.

Mr. OXLEY. Mr. Speaker, I appreciate the ranking member's concern. I want to assure you that this amendment is prospective only and applies only to new investments made by banks and not to investments or written commitments already in place.

There is nothing in this amendment that is intended to require banks that have made investments that comply with the law that was in effect prior to the enactment of the Financial Services Regulatory Relief Act of 2006 to undo or divest themselves of these investments or renege on their written commitments to invest in community development.

Mr. FRANK of Massachusetts. Thank you.

I would point out that here we are working closely with those who are in the business of making loans for affordable housing. Those are the ones who have particularly been interested in these kind of changes. We were glad to do it.

Let me also note, Mr. Chairman, that section 405 of the original bill, which is now section 702, which leads me to wonder why we ever mentioned section 405 in the first place, but we are now talking about section 702. It was included at the request of the regulatory agencies to clarify that written conditions and applications and written agreements with institution-affiliated parties are enforceable in order to protect the safety and soundness of insured depository institutions.

Institution-affiliated parties, a wonderful phrase that trips off the tongue, institution-affiliated parties can include bank directors, officers and principal shareholders. Some concerns have been expressed that the regulatory agencies may use this language inappropriately to require personal guarantees from bank directors and officers.



Mr. Chairman, would you clarify what section 702 is intended to do?

Mr. OXLEY. Mr. Speaker, before I do, I want to make clear that we, and it is pretty obvious that we have not rehearsed this in advance.

Mr. FRANK of Massachusetts. My spontaneity is always rehearsed, Mr. Chairman.

Mr. OXLEY. Yes. I thank the gentleman for giving me an opportunity to do so.

In adopting this provision, it is our intention that the regulatory agencies utilize section 702 with care and precision. Specifically, it is not intended to be used routinely in corporate applications, notices or requests to impose financial or other conditions on bank directors or officers that contain a personal guarantee against loss by the institution.

For example, it is not intended to be used by the regulatory agencies to routinely require directors or officers of insured depository institutions to enter into capital maintenance agreements with the agencies as a condition of granting a charter or providing deposit insurance.

It is also not intended to be used by the regulators to routinely require bank directors or officers to maintain the capital of a troubled insured depository institution without the directors or officers agreement.

While we believe it is important that banking agencies are able to enforce agreements that protect the deposit insurance fund, we also believe that our national banking policies should encourage the participation of highly qualified people on the boards of those institutions.

It would be counterproductive to create an environment where the threat of personal liability may cause bank directors to resign or keep well-qualified people from becoming directors in the first place. We will continue to monitor closely how this provision is applied by the regulatory agencies to ensure that this does not happen.

Mr. FRANK of Massachusetts. Mr. Speaker, I thank the chairman. He is the chairman. That is why he has to say more than me.

But I would like to add that it is my understanding that the regulatory agencies, specifically the Officer in Control of the Currency, the Federal Deposit Insurance Corporation and the Office of Thrift Supervision, agree with the interpretation the gentleman has just given, as does the Senate.

Mr. OXLEY. Yes, that is my understanding as well.

I will insert into the RECORD a letter dated August 5, 2006, from the OCC, FDIC, the Fed, and OTS. This letter clarifies the regulators' intentions for the provision. It also reaffirms their intent to enforce the language precisely and to not routinely impose financial or other conditions on bank directors or officers that contain a personal guarantee against loss by the institution seeking to change a charter or providing deposit insurance.

I believe this addresses concerns raised by the gentleman from Massachusetts, and the committee will continue our oversight role in implementation of this provision.

OFFICE OF THE COMPTROLLER  
OF THE CURRENCY,  
August 7, 2006.

Hon. MIKE CRAPO,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR CRAPO: This responds to your letter dated July 28, 2006, concerning section 102 of S. 2856, "The Financial Services Regulatory Relief Act of 2006."

We agree completely that banking policies should welcome the participation of qualified individuals on the boards of directors of insured depository institutions. We believe that enactment of this section would be fully consistent with that goal and that the provision should be implemented in that spirit, if enacted.

Section 102 is intended to enable the appropriate Federal banking agency to enforce conditions imposed in writing in connection with any action on an application, notice or other request, and written agreements between a Federal banking agency and a depository institution or an institution-affiliated party, in accordance with the terms of the condition or agreement, without the necessity of showing unjust enrichment or reckless disregard for the law, applicable regulations, or prior order of the appropriate Federal banking agency. The language is intended to address the effect of court decisions in a few cases that questioned the authority of the banking agencies to enforce such conditions or agreements without first establishing that the institution-affiliated party was unjustly enriched or engaged in reckless disregard for the law or previous agency orders.

It is our intention to utilize this provision with care and precision. Specifically, we do not intend to use it routinely in connection with corporate applications, notices or requests to impose financial or other conditions on bank directors or officers that contain a personal guarantee against loss by the institution. In particular, it is not our intention to use it routinely to require directors or officers of insured depository institutions to enter into capital maintenance agreements with the agencies as a condition of granting a charter or providing deposit insurance. Nor is it our intention to use it routinely to require bank directors or officers to maintain the capital of a troubled insured depository institution without the director's or officer's agreement.

We hope this addresses your concerns.

Sincerely,

John C. Dugan, Comptroller of the Currency; John M. Reich, Director, Office of Thrift Supervision; Ben S. Bernanke, Chairman Board of Governors of the Federal Reserve System; Sheila C. Bair, Chairman, Federal Deposit Insurance Corporation.

Mr. FRANK of Massachusetts. Mr. Speaker, I yield back the balance of my time.

Mr. OXLEY. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. HENSARLING).

(Mr. HENSARLING asked and was given permission to revise and extend his remarks.)

Mr. HENSARLING. Mr. Speaker, I have had many opportunities to speak extensively in subcommittee, committee, and on this House floor for the

need that we have for regulatory relief for financial institutions, so I will refrain from doing that today.

Prior to coming to Congress, I was in private business. They teach you in private business that once you conclude a deal, quit talking.

We seem to have finally concluded a deal with the other body. However, I am no longer in business, I am in Congress, so I cannot quite take the whole of the advice. So, instead of quitting talking, I will at least attempt to be brief.

As the chairman noted, people long before me have worked on this piece of legislation; and it appears that it will soon culminate in success.

I certainly want to thank Chairman OXLEY for his leadership on the committee. I want to thank his trusting need to carry this legislation. I want to thank him for creating a place in Congress where good things can be done for America on a bipartisan basis; and, unfortunately, Mr. Speaker, there are not that many places where that is done.

I want to thank Subcommittee Chairman BACHUS, the gentleman from Alabama, for his counsel and help in moving this important piece of legislation through his subcommittee.

I want to thank the gentleman from Massachusetts, the ranking member, for his help, his counsel, his reaching out to work on a bipartisan basis; and, finally, the gentleman from Kansas (Mr. MOORE). We worked together to bring this to the floor.

Mr. Speaker, I also want to thank several members of my own legislative staff. I am now, unfortunately, on my third legislative assistant working on this staff. Two of them prefer the rigors of graduate school to trying to see this particular piece of legislation to fruition. But I do want to thank Gerry O'Shea, Jamie Notman, and now Steven Sepp for their invaluable work, as well as the full committee staff of the Financial Services Committee for all they have done.

Mr. Speaker, it has been noted, not only is this an important piece of legislation, I do want to celebrate it, but I first want to get out of the way some of my disappointments. I am disappointed that the other body did not see the wisdom in BSA relief that was included in our version of this bill. Hopefully, one day they will see the overlapping problems we have with the suspicious activity reports, the cash transaction reports, know your customer. Vital programs, but one that creates a large burden for our financial institutions.

I am sorry that the other body did not see the wisdom in doing something about the Graham-Leach-Bliley privacy notifications, where financial institutions have already notified their customers and do not change their policy.

Finally, regardless of the merits as a stand-alone issue on the stale reserves at the Fed, I am also disappointed that the other body has really created a challenge on the budgetary side in including that provision in the title.

Notwithstanding that, I feel a little bit like somebody who helped bring a child into the world, raised the child, sent them to the big city, and I am having trouble recognizing them, but, at the end of the day, Mr. Speaker, I know that that is still my child. And so I enthusiastically urge the adoption of S. 2856 by this body.

We must from time to time weed the garden. We have an obligation to make sure that every regulation does not exist in perpetuity. Markets change, people change, conditions change.

We are one of the richest, freest nations on the face of the planet, and part of the reason is because of capitalism. You cannot have capitalism without capital. One of the main responsibilities our committee has is to ensure that we have a vibrant capital market; and certainly our credit unions, our community banks that serve our smaller institutions, inner city, play a very vital role in those capital markets. They have been burdened.

For example, over the last decade, we have lost almost a third of our community banks. And when you speak to people at these financial institutions, there are a number of reasons for the mergers, for the consolidations, but many of them will tell you that the cost of the Federal regulatory burden is the number one reason why so many of them have gone out of business.

□ 1800

They play such a vital role in our rural communities.

So, Mr. Speaker, it is just incumbent upon us because excessive regulation, redundant regulation, costly regulation, not only does it harm these financial institutions, but at the end of the day, it makes the accessibility and the cost of credit more difficult. It means that average Americans, maybe they will not have that opportunity to buy that first home, to make that first down payment; maybe they will not have the opportunity to buy that second car that is necessary for a spouse to take a second job; maybe they will not have that opportunity to send a child to the college they want to send them to; maybe they will not have that opportunity to start a new small business, to create jobs and hope and opportunity.

But, Mr. Speaker, we are making great strides today, and because of that, I know that we will help these American families help realize their version of the American Dream with a little bit of reason in weeding this regulatory garden and making sure that they can have better lives.

So, again, I appreciate the opportunity that the chairman has given me and certainly his leadership will be severely missed but never forgotten.

Mr. OXLEY. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from New Jersey (Mr. GARRETT).

Mr. GARRETT of New Jersey. Mr. Speaker, I come to the floor tonight

just to be brief on two points: first to thank the chairman for his outstanding leadership in the Financial Services Committee over the years in general and specifically tonight with regard to your work on regulatory relief; and also to the gentleman from Texas who just spoke for all of his work to bring this to fruition as we have tonight.

The underlying bill here goes, as has been pointed out, to reduce the overall burden on financial institutions in general and make some technical corrections that need to be made. One of the points I want to touch upon is how it impacts on the Federal Debt Collectors Practices Act. In the underlying bill, there were two provisions that I had back in the 108th Congress that I am pleased have been included in the legislation here today.

The first of these provisions clarifies that a formal pleading in any civil action will not be considered communications now as defined by the FDCPA, and the second provision now clarifies the right of a collector to pursue an account during the first 30 days, so long as the debt collector's pursuits do not overshadow or otherwise confuse the consumer debtors.

By doing these two things, what we are doing is removing ambiguities in the FDCPA, and that increases compliance with the act and improves protections and overall helps consumers.

Additionally, the debt collection industry will be helped as well. It does that by improving guidance to them as an industry so that they can better conform to business practices to the letter of the law, additionally by curbing waste and time and money in the system, and finally, by avoiding litigation, all in the end good to the consumer, good to the industry, good for the American public.

I thank the gentleman from Texas and the chairman as well for getting it all done.

Mr. OXLEY. Mr. Speaker, I have no further speakers, just to wrap up and say this has been a concerted effort. It has taken 5 years. While I guess all of us are frustrated in one way or another with the other body at times and this bill particularly, at the end of the day we did a good job and got what we could, and we will save some other things for a later day.

But JEB HENSARLING and all of the folks who worked on this legislation, I want to thank them for their cooperation.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. POE). The question is on the motion offered by the gentleman from Ohio (Mr. OXLEY) that the House suspend the rules and pass the Senate bill, S. 2856, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. OXLEY. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this question will be postponed.

## HOPE VI REAUTHORIZATION ACT OF 2006

Mr. OXLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5347) to reauthorize the HOPE VI program for revitalization of public housing projects, as amended.

The Clerk read as follows:

H.R. 5347

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

### SECTION 1. SHORT TITLE.

This Act may be cited as the "HOPE VI Reauthorization Act of 2006".

### SEC. 2. EXTENSION OF PROGRAM.

Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) is amended—

(1) in paragraph (1) of subsection (m), by striking the matter that follows "section" and inserting the following: "such sums as may be necessary for fiscal year 2007."; and

(2) in subsection (o), by striking "September 30, 2006" and inserting "September 30, 2007".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. OXLEY) and the gentlewoman from California (Ms. WATERS) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio.

### GENERAL LEAVE

Mr. OXLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on this legislation and to insert extraneous material thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. OXLEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today I rise in support of H.R. 5347, the HOPE VI Reauthorization Act of 2006, introduced by the gentleman from Connecticut (Mr. SHAYS). This important piece of legislation would simply reauthorize the HOPE VI program for one more year and would continue to provide a resource to revitalize severely distressed public housing units.

Since 1993, this program has been an important part of the transformation of public housing by encouraging public housing authorities to seek new partnerships with private entities to create mixed-finance and mixed-income affordable housing that is developed and operated very differently from traditional public housing.

HOPE VI epitomizes public-private partnerships for funding redevelopment projects. Mixed-finance development projects have allowed the government